

← WEEK  
AGO

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# BUSINESS WEEK

← START  
OF WAR  
1939



Wanted: 3,000,000 women in 1943. Ten of the 2,400,000 hired last year clean locomotives for the Long Island Railroad.

BUSINESS  
WEEK  
DEX

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## Without free enterprise this war would have been lost months ago

Some people still say dictatorships or government control of industry make for greater efficiency. Listen—

It took government-controlled Germany 9 years to build enough plants and equipment to fight a war; it took government-controlled Japan 25 years; and even splendid Russia 20. American industry under free enterprise has done it in 2 years . . . built and tooled the plants to turn out *1000 times* the war materials we could make before the war. Whether or not we *do* turn them out, in time to win, is up to the men at these new machines, to the public's help in scrap collections, and to the intelligent cooperation of labor-management-government.

But we wouldn't be ready until *years* from now, to turn out the needed war materials if we had had to take the time our enemies took under the so-called "efficiency" of dictatorship. We were ready to produce because free, independent American industrialists put Patriotism ahead of profits, and risked their futures for America. Profits? What little is left from taxes is so tied up in inventory for *more* war work that they've had to borrow cash to pay taxes and payroll. Future? American industry has built plants they can't hope to use after the war. But the plants were vital to winning the war, so they built them.

Machine tool builders can make such statements because they know American industry. Almost every part of every unit of the vast flood of war goods must be machined on machine tools, so the machine builders had first to equip other war plants, and know what those war plants have done. The machine tool industry went to war in 1939 and has increased production from 25,000 machines a year to 360,000. The way American industry has used these products makes us proud to be their partners.

**YOU CAN TURN IT BETTER, FASTER, FOR LESS...WITH A WARNER & SWASEY**





## Rubber soaks up the smack of a 2-mile fall

*Some typical examples of B. F. Goodrich development in rubber*

**H**OW a thin rubber coating makes sponge cushions practical and protects parachutists from broken backs is one of a series of 26 examples of rubber development included in a new booklet. Each example is a story in itself—a reprint of a B. F. Goodrich advertisement of 1942. Here are some of the typical subjects:

*Latest fashion for ocean cruises*—how a new kind of rubber-lined helmet protects the gunners in our navy.

*Dipping a battleship's ribs in "fire-water"*—rubber helps speed ship building by preventing the need for frequent repairs to "pickling" tanks.

*From roar to rumble with rubber*—is the story of how rubber exhaust pipes help speedy torpedo boats slip

within firing distance of ships, without too much noise.

*Statue in rubber of somebody's kidney*—tells how a medical school used rubber to make a model of the kidney's blood system for research and study.

*Airplanes used to have their nerves rubbed raw*—but now the miles of wire and hydraulic tubes that cross and recross inside big bombers are protected by a new kind of adhesive rubber tape.

*It chews a pasture into an airport*—tells how big earth moving machines carry 14 tons of dirt in one minute and how time-out problem was solved by the right rubber belt.

*The machine that gives busses the brush-off*—scrub brushes on an outdoor washing rack are driven by V-

belts that withstand moisture, dust, sunlight.

This book will give you a new and we believe interesting picture of the varied and important part rubber is taking in industry and in the war effort—and perhaps the book will give you some ideas on how this versatile material can help you in your future plans. For a free copy, write *The B. F. Goodrich Co., Industrial Products Div., Akron, O.*, and the book will be sent at once.



**B. F. Goodrich**  
FIRST IN RUBBER

# PEAK POWER needed for war



It is true that all power units in material-handling trucks are specifically rated. But it's power delivered that wins in war production. When the trucks are powered by alkaline batteries they stay on the job, turn out the work expected of them, are not subject to lay-ups for repairs. In many war plants, alkaline batteries are today working much harder than their operators

ever expected they would—and are standing up admirably under such peak demands.

All this is not something which just happened. It is the nature of this modern type of power unit. Ruggedness comes from Edison steel-construction, its self-preservation chemical principle, and its fool-proof electrical qualities.

**INDUSTRY NEEDS THE DEPENDABILITY OF**

# Edison

## Alkaline BATTERIES

Edison Storage Battery Division, Thomas A. Edison, Inc., West Orange, N. J.

## BUSINESS WEEK

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BUSINESS WEEK • JANUARY 9 • NUMBER 697

(with which is combined The Annalist and the Magazine of Business). Published weekly by McGraw-Hill Publishing Company, Inc., James H. McGraw, Founder and Honorary Chairman. Publication office, 99-129 North Broadway, Albany, New York. EDITORIAL AND EXECUTIVE OFFICES, 330 W. 42ND ST., NEW YORK, N. Y. James H. McGraw, Jr., President; Howard Ehrlich, Executive Vice-President; B. R. Putnam, Treasurer; J. A. Gerardi, Secretary. Allow ten days for change of address. About subscriptions address: Director of Circulation, Business Week, 330 W. 42nd Street, New York, N. Y.

Subscription rates—United States, Mexico, and Central and South American countries \$5.00 a year. Canada \$5.50 for a year. Entered as second class matter December 4, 1936 at the Post Office at Albany, N. Y., under the Act of March 3, 1879. Printed in U. S. A. Copyright 1943 by the McGraw-Hill Publishing Company, Inc.



# WASHINGTON BULLETIN

## WHAT THE WASHINGTON NEWS MEANS TO MANAGEMENT

### Civilian Appeasement

Maybe you had better make at least a temporary revision in your ideas of civilian sacrifice for all-out war. Civilian appeasement is "in" as Congress starts 1943. Capitol Hill is going on the idea that all-out war production peaks can be attained without more sacrifices than those already required.

Given today's tendency to ease up on the man in the street, there's a chance that if the war ends or tapers off in the first half of 1944—before the protecting inventories of goods are exhausted—civilians may never realize how tough the war really was.

### Congressional Appeasement

There has been no change of heart about civilian crackdowns among the Administration all-outers. However, while special situations like the eastern fuel shortage may still result in other such drastic-appearing moves as this week's ban on pleasure driving, the war bureaucracy has been forced to realize that it must temper its actions to pacify a rambunctious, balky Congress.

### What's Behind Congress

The bitter, intransigent mood in which the old Congress died and the anti-Administration temper of the new Congress reflect (1) a popular conviction that the military situation is good enough to permit some relaxation of controls on civilians and (2) a popular determination that the people just won't be pounded down to the kind of living standard that has gone with war everywhere else in the world.

• **What Hitler Missed**—Congress is inclined to believe that Hitler forgot something when he said that America is soft—that America may be big enough and strong enough to be soft and still fight a good war.

### First Sign—Henderson

Appeasement of the public came first on the price control front when Leon Henderson was forced out. That front is farthest from the actual fighting, and Congress is still sensitive to the charge of obstructing the war effort. But already the guns are rumbling on a more critical front—the actual supply of civilian goods (witness the heavy pressure on WPB to pull steel away from guns and put it into farm machinery to insure that no American feel hunger pangs).

Here again, the indications are that the Administration will make no stone-wall stand. In the wind is a reorientation of the whole civilian supply setup.

### Let Byrnes Do It

Prentiss Brown, Henderson's successor, is trying to divorce the rationing job from price control, wants to shove it over to some such place as WPB's Civilian Supply. At the same time, a tentative move is afoot to lift civilian supply itself out of WPB, drop it into Byrnes's office. Along with this goes a plan to make Byrnes a sort of central claimant agency under the Controlled Materials Plan for all the civilian czars

—oil, rubber, transportation, etc. This would put the problem in the hands of a man who thinks in terms of politics rather than of war and industry.

• **White House Viewpoint**—Not all F. D. R.'s advisers yet believe it necessary to go this far. Some less drastic means of appeasing Congress and the public may yet be found. But that is the trend. Meanwhile, OPA is stalled on policy pending word from the White House of Brown's official appointment.

### OPA Evictions

Which heads will fall when Brown comes into OPA, nobody knows. Henderson last week took occasion to boast

## Congress Cool to "Wagner Plan"

Only club that F. D. R. can swing to keep the new Congress in line is the charge of interference with the war effort if it bucks him on major policies. Actually, that is the only thing that will keep Congress under any kind of discipline.

Nothing that comes out of the Administration will get consideration, unless it comes from Roosevelt's own hands. The Democratic leadership has declared a new war on bureaucracy, essentially on New Deal bureaucracy. The leaders will string along with Roosevelt himself only if they are taken into his entire confidence. Otherwise they won't guarantee anything.

• **Suspicious Sequence**—Of course, Congress will cool off; its present turbulence will settle into some kind of working relationship. But the altruistic, almost exalted, theme of the President's Message—the Four Freedoms, and particularly its emphasis on freedom from want—left Congress cold. There was no enthusiasm for the international implications of this theme.

Ambassador Winant's collaboration, in the light of his large concept of the responsibility of the United States in a postwar world, inspired distrust rather than confidence. There's lively suspicion that Winant engineered the close timing of Britain's Beveridge Report calling for a broad social security program, the President's Freedom-From-Want speech, and his general proposals for greater social security at home. Notice the sequence:

First, the Atlantic Charter with its "Freedom From Want" plank; second, the Beveridge Report for Britain with a carefully stimulated U. S. reception; third, the State of the Union Message reiterating "freedom from want"; fourth, the budget message in which, under a payroll tax heading, the President will call for extension of the Social Security program; and fifth, a Wagner Bill soon to be presented to Congress with full Administration backing, which will provide for yanking the payroll tax up to 5% on employers and to 5% on employees.

• **"Wagner Plan"**—The "5 and 5" tax rate would add an estimated \$3,000,000,000 to social security trust funds in the coming fiscal year and finance a program that the New Deal has been busy formulating since long before first rumors of the Beveridge Plan began to waft over from England. But the strong, possibly controlling, reaction in Congress this week was that this isn't the time for it.

New "compensables" included in the Wagner Bill will cover hospitalization for wives and children as well as for workers, maternity, disability, military service, death. The bill would extend present and proposed coverage to the self-employed, farm labor, domestic servants, employees of nonprofit institutions, and other sections of the population heretofore exempt. It would increase existing benefits, federalize unemployment compensation, and provide for 26 weeks of payments.



**OUT THEY ROLL!** Fighting tanks for U. S. fighting forces all over the world are rolling off factory production lines.

## How Much Paper Work in Building a Tank?

*Here's how Mimeograph duplicators help speed up factory paper work, cut production time for tank manufacturers*

It takes a lot of muscle, a lot of "know-how" and a lot of perspiration to get a tank rolling off a production line. What many people don't realize is: it takes a lot of paper work, too.

In factories all over the country, tank manufacturers have found a new way to speed up this paper work—and the production of tanks and tank parts—with the help of the Mimeograph duplicator and Mimeograph die-impressed stencil sheets.

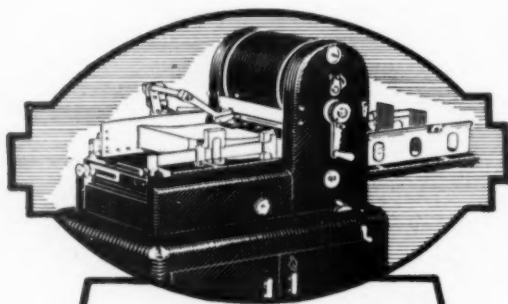
Engineering departments in many plants are using Mimeograph duplication to speed up and simplify the production and distribution of

*parts lists  
engineering change notices  
engineering releases  
operation line-ups  
and other paper work functions.*

Production and planning departments find extensive use for the Mimeograph equipment because of its flexibility and versatility. The all-important *spare parts list*, *packing list*, and "*Shipper*" can be quickly produced on the Mimeograph duplicator.

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### Mimeograph duplicator

MIMEOGRAPH is the trade-mark of A. B. Dick Company, Chicago, registered in the U. S. Patent Office.

# WASHINGTON BULLETIN (Continued)

of Rent Chief Paul A. Porter's iron-clad campaign against rent increases and evictions. Porter needed help, for he has been a special target for landlords who claim that they are being strangled when they could get out of debt.

Dr. J. Kenneth Galbraith, price chief, seems a sure candidate for departure. So do John E. Hamm, senior deputy administrator, and C. David Ginsburg, general counsel. Since all of these men have resignations handy for signature and delivery, Brown will have no trouble in cutting any or all of them loose.

• **Off the Beam**—Rumors that Henderson will remain as OPA chief, after all, are off the beam. So (unless Brown should decide that the job is too tough) are counter-rumors that Joe Kennedy, ex-Ambassador to the Court of St. James, may be the nominee.

## Wage-Boost Precedent

It was bound to come. NWLB's labor and employer members ganged up this week to outvote public representatives in approving a 5¢ hourly wage increase for employees who already had received nearly twice the boost due them under board's Little Steel formula.

Number of workers affected was very small (20 A.F.L. members in an American Smelting & Refining Co. plant), but the precedent was important because public members have long expressed private fears that wage stabilization would be lost when employers who were losing workers decided to go along with the union desire for higher pay.

## Growing Labor Unrest

Widely expressed fears of labor unrest aren't idle. Serious stoppages—most of them wildcat in character—are cropping up on a broad front.

In the anthracite field, harassed in 1941 by a strike against union assessments (BW—Oct. 11 '41, p. 67), 9,000 miners quit work protesting a dues increase of 50¢ a month.

A handful of C.I.O. machinists was kept from working at the San Francisco shipyard where previously a strike for overtime pay on Saturdays and Sundays elicited the stern Presidential rebuke that it had "delayed shipments of men and supplies to fighting fronts." The idle accused the union of denying them permission to work until they honored \$25 union fines for working the forbidden days.

Ford and Chrysler were hit in Detroit. Reorganization of maintenance administration caused the 23-hour strike of 15,000 maintenance men at River Rouge. Chrysler's tank plant had two brief walkouts.

## Regional Labor Boards

Because of opposition by its employer members, National War Labor Board's announced plan to decentralize its machinery for settling labor disputes is moving very slowly. Employer members believe the board's projected grant of power to 30 or more district panels should be surrounded by policy safeguards, including specific directives on maintenance-of-membership issue. But district panels doubtless will be set up sooner or later because both public and labor representatives want them.

## Morale Checkup

Despite boost in production that came with opening of African front, Army and Navy are still not entirely happy about factory morale—as evidenced in grumbling, absenteeism, occasional slowdowns. Both services have their intelligence services trying to pin down the causes, maybe suggest remedies.

Detroit and St. Louis are rated as worst spots, but there are others. At one critical war plant, for instance, 35% of the labor force failed to show up Saturday after Christmas.

## Strained Relations

Relations between Dept. of Agriculture and OPA on food rationing are strained. Even before food control was centered in Secretary Claude R. Wickard, his aides pressured OPA to rush into rationing programs without requisite long-range preparations.

Instead of overhauling their own procurement procedure when the lend-lease buying program struck snags, Dept. of Agriculture officials plugged for rationing. On the other hand, they refused even to talk rationing possibilities with OPA food men a year ago. When the latter first wanted to talk about meat, D. A. men laughed derisively.

## Housing Promise

National Housing Agency, with money to start 170,000 units of public housing this year and plans to recommend priorities on 170,000 privately financed housing units, is feeling encouraged about getting materials to do the job. Requirements Committee has allocated enough steel to meet the full first-quarter, 1943, program. For later quarters, NHA is relying on its new right to plead its case as a claimant agency under Controlled Materials Plan.

• **For the Record**—Last year, NHA built 128,000 units—family, dwellings, dormi-

tories, trailers—and has 214,000 still abuilding. Private builders ran up 195,000 houses, have 80,000 now under construction.

## Houses After Planes?

Most big airplane companies are playing with products—from refrigerators to automobiles—that they might manufacture in lean postwar days. People in Washington think they know what Consolidated is dreaming about now that the big plane builder (Liberator bombers, etc.) has hired Frank Watson, prefabricated housing expert and one of the authors of the original Federal Housing Act.

## Subsidies Out

Stabilization Director James F. Byrnes has abandoned his effort to use subsidies to keep down consumer price ceilings on farm and food commodities.

Tipoff came when the flour price regulation (page 22) was issued without mention of the previously announced Commodity Credit Corp. subsidy on wheat for milling purposes. It was confirmed when Byrnes ordered Agriculture Dept. to abandon subsidies in three metropolitan milk marketing areas and ordered OPA to increase milk prices in same areas.

Byrnes will replace subsidies with (1) attempts to force economies on distribution of food and farm commodities and (2) permission for moderate price rises where it is impossible to impose sufficient economies to absorb the increases in cost.

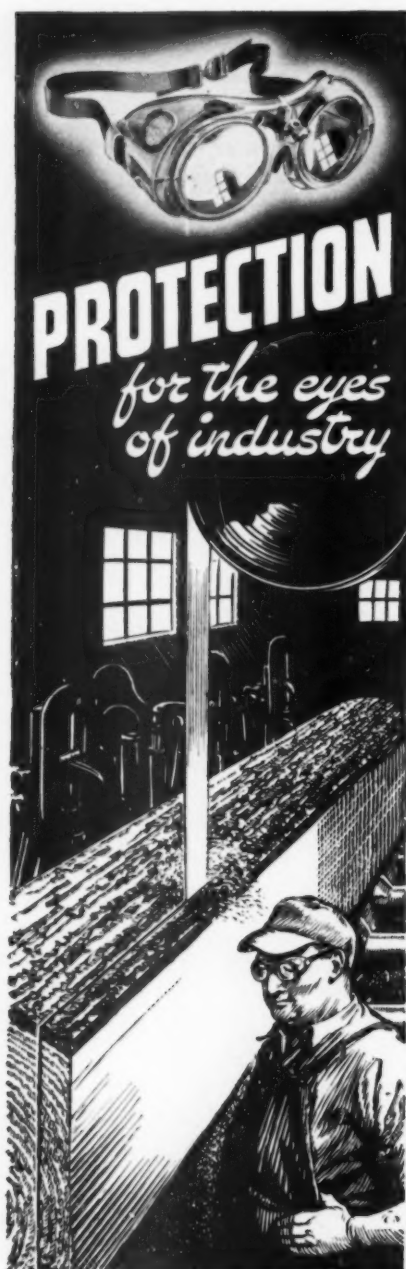
• **Bow to Farmers**—Abandonment of subsidies represents a victory for the congressional farm bloc, which favors government efforts to keep floors under farm prices but opposes subsidies as a means of keeping consumer ceilings down.

## Food Industry Worried

Food industry men see eye-to-eye with farm bloc members on any subsidy. They say it puts the government hand right on the heart of an industry's operation. However, food people also see Byrnes's alternate emphasis on process and distribution economies as a device for gaining favor with the congressional farm bloc by squeezing the "middle-man."

Already Chairman Fulmer of the House Agriculture Committee is raising the old cry that the "food middle-man" is a leech sucking money from consumers while letting the farmer take the blame for high food prices. Fulmer threatens to back up his charges with





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## WASHINGTON BULLETIN (Continued)

committee hearings and a bill to establish large government-financed marketing cooperatives.

• **Unexpected Ally**—Food men expect little aid or comfort from the Agriculture Dept. if Byrnes applies the squeeze—in fact, Wickard probably will be the one to twist the rack. However, the industry will get help from an unexpected and hitherto unappreciated source—OPA. The price control law provides that processors must get fair margins, and OPA's approach to food distribution costs is sympathetic.

### Power Guessers

That perennial jurisdictional plaything of New Deal Washington—electric power—is being tossed around again. WPB Chief Nelson is back at the White House attempting to get the Federal Commission out of his hair.

Last spring, WPB got Roosevelt's O.K. on a scrap of paper in which FPC surrendered to the war agency full jurisdiction over wartime power supply and requirements. Now, FPC is bouncing back with estimates which assert that WPB's power requirements are 15% to 25% low and that its estimate of available capacity is 5% high. Fact is that the annual power peak period just passed produced lower demands than anyone—FPC, WPB, or the utilities, in that order—had predicted.

• **Continued Story**—F. D. R. heard Nelson's protest at a Sunday confab attended also by FPC Chairman Leland Olds. He told them to talk it out for a week or so, then come back.

### Farm Gas Relief

Gas rationing relief for farmers, dairymen, and stock raisers is promised by Rubber Director William Jeffers. By Apr. 1, he expects to put into operation a "one-package" ration system.

A farmer will submit a single application, free of complicated formulas and past consumption records, for all gas he needs for his passenger car, truck, tractor, brooder, and stationary engines. Local committees will decide whether the amounts asked for are really needed.

• **Red Tape Cutter**—Meanwhile, Jeffers has ordered the Office of Defense Transportation and OPA to cut red tape, ignore their own regulations so as to let local boards give farmers all gasoline, kerosene, and other petroleum products they need for food production.

### Prescription for Oil

WPB is getting ready to take a hand in the oil muddle resulting from conflicting jurisdictions of Petroleum Ad-

ministrators Harold L. Ickes and OPA. WPB prescription for oil is same one that it's banking on for other materials—the Controlled Materials Plan.

The OPA-PAW fight came to a head last week. Convinced that OPA didn't know how much oil the gasoline and fuel coupons it had issued added up to—and sure that, anyway, they added up to more than the supply—PAW started rationing oil to wholesalers (BW—Jan. 2'43,p7) and telling them whom to supply if stocks ran low. This naturally tied OPA's rationing plans in a knot.

• **CMP to Rescue**—WPB's solution would be to have the Requirements Committee divvy up supplies of oil among the CMP claimant agencies—War, Navy, etc.—with some one agency, presumably OPA, assigned a definite quantity to ration out to civilians.

### Ban on Trade Shows?

The furniture industry this week held its annual shows in Chicago and Grand Rapids (page 14) in the face of a "request" for cancellation by the Office of Defense Transportation's chief, Joseph B. Eastman. In so doing, they may have forced a distasteful issue.

Under date of Jan. 5, Eastman wrote Donald M. Nelson to explain that ODT has not wanted arbitrarily to proscribe trade shows in the interest of essential war transportation but has sought cancellation of those that didn't seem important to the war effort. Then he asked if such gatherings "are essential to the war program."

Back came the answer from WPB's Director General of Operations, Ernest C. Kanzler: "We see no reason . . . why you should not take any steps you see fit. . . ."

### Arnold Sidetracked

Railroads and over-the-road motor carriers have finally licked Thurman Arnold. His on-again, off-again investigation of the common carriers for allegedly conspiring to fix rates is pigeonholed, and the Chicago grand jury dismissed. Army, Navy, and Office of Defense Transportation sidetracked it for "interference with war effort."

This is the second time the war agencies have ridden Arnold on a rail. Last time ODT and WPB made a squeeze play to kill a pending antirail suit, but Arnold managed to wangle permission to investigate what he described as "heinous offenses" (BW—Nov.28'42, p32). Now the whole rail-motor carrier affair looks dead for the duration.

—Business Week's  
Washington Bureau



# FIGURES OF THE WEEK

**THE INDEX** (see chart below). . . . . \*191.4 †191.2 190.0 182.3 164.4

## PRODUCTION

Steel Ingot Operations (% of capacity).....	97.0	98.2	98.6	97.0	93.8
Production of Automobiles and Trucks.....	14,930	14,505	19,935	22,680	18,535
Engineering Const. Awards (Eng. News-Rec. 4-week daily av. in thousands)....	\$11,325	\$12,295	\$15,409	\$38,914	\$14,242
Electric Power Output (million kilowatt-hours).....	3,750	3,656	3,884	3,424	3,289
Crude Oil (daily average, 1,000 bbls.).....	3,871	3,881	3,834	3,297	4,038
Bituminous Coal (daily average, 1,000 tons).....	1,720	1,913	2,149	1,904	1,684

## TRADE

Miscellaneous and L.C.L. Carloadings (daily average, 1,000 cars).....	73	74	80	80	85
All Other Carloadings (daily average, 1,000 cars).....	48	49	55	63	45
Money in Circulation (Wednesday series, millions).....	\$15,407	\$15,329	\$14,848	\$12,416	\$11,161
Department Store Sales (change from same week of preceding year).....	+15%	+10%	-1%	-8%	+39%
Business Failures (Dun & Bradstreet, number).....	105	81	148	186	136

## PRICES (Average for the week)

Spot Commodity Index (Moody's, Dec. 31, 1931 = 100).....	240.6	†239.4	232.7	231.8	221.0
Industrial Raw Materials (U. S. Bureau of Labor Statistics, Aug., 1939 = 100)...	156.6	†156.4	155.3	155.0	150.1
Domestic Farm Products (U. S. Bureau of Labor Statistics, Aug., 1939 = 100)...	196.7	†196.0	188.3	181.1	173.9
†Finished Steel Composite (Steel, ton).....	\$56.73	\$56.73	\$56.73	\$56.73	\$56.73
†Scrap Steel Composite (Iron Age, ton).....	\$19.17	\$19.17	\$19.17	\$19.17	\$19.17
†Copper (electrolytic, Connecticut Valley, lb.).....	12.000¢	12.000¢	12.000¢	12.000¢	12.000¢
Wheat (No. 2, hard winter, Kansas City, bu.).....	\$1.34	\$1.32	\$1.26	\$1.09	\$1.23
†Sugar (raw, delivered New York, lb.).....	3.74¢	3.74¢	3.74¢	3.74¢	3.62¢
Cotton (middling, ten designated markets, lb.).....	20.20¢	†19.94¢	19.51¢	19.83¢	18.33¢
†Wool Tops (New York, lb.).....	\$1.194	†\$1.210	\$1.197	\$1.222	\$1.271
†Rubber (ribbed smoked sheets, New York, lb.).....	22.50¢	22.50¢	22.50¢	22.50¢	22.50¢

## FINANCE

90 Stocks, Price Index (Standard & Poor's Corp.).....	78.3	†77.1	74.2	67.6	71.5
Medium Grade Corporate Bond Yield (30 Baa issues, Moody's).....	4.25%	4.26%	4.29%	4.32%	4.33%
High Grade Corporate Bond Yield (30 Aaa issues, Moody's).....	2.81%	2.81%	2.81%	2.83%	2.84%
U. S. Bond Yield (average of all taxable issues due or callable after twelve years)...	2.35%	2.36%	2.36%	2.34%	2.40%
U. S. Treasury 3-to-5-year Note Yield (taxable).....	1.39%	1.39%	1.28%	1.17%	1.02%
Call Loans Renewal Rate, N. Y. Stock Exchange (daily average).....	1.00%	1.00%	1.00%	1.00%	1.00%
Prime Commercial Paper, 4-to-6-months, N. Y. City (prevailing rate).....	‡-‡%	‡-‡%	‡-‡%	‡-‡%	‡-‡%

## BANKING (Millions of dollars)

Demand Deposits Adjusted, reporting member banks.....	28,257	28,504	28,852	25,502	23,650
Total Loans and Investments, reporting member banks.....	41,467	40,457	38,387	32,382	30,085
Commercial and Agricultural Loans, reporting member banks.....	6,068	6,165	6,192	6,469	6,726
Securities Loans, reporting member banks.....	1,252	1,508	1,089	912	957
U. S. Gov't and Gov't Guaranteed Obligations Held, reporting member banks..	27,832	26,510	24,808	18,232	15,049
Other Securities Held, reporting member banks.....	3,314	3,264	3,284	3,410	3,666
Excess Reserves, all member banks (Wednesday series).....	1,660	2,190	2,500	2,259	3,085
Total Federal Reserve Credit Outstanding (Wednesday series).....	6,428	6,292	5,460	2,873	2,361

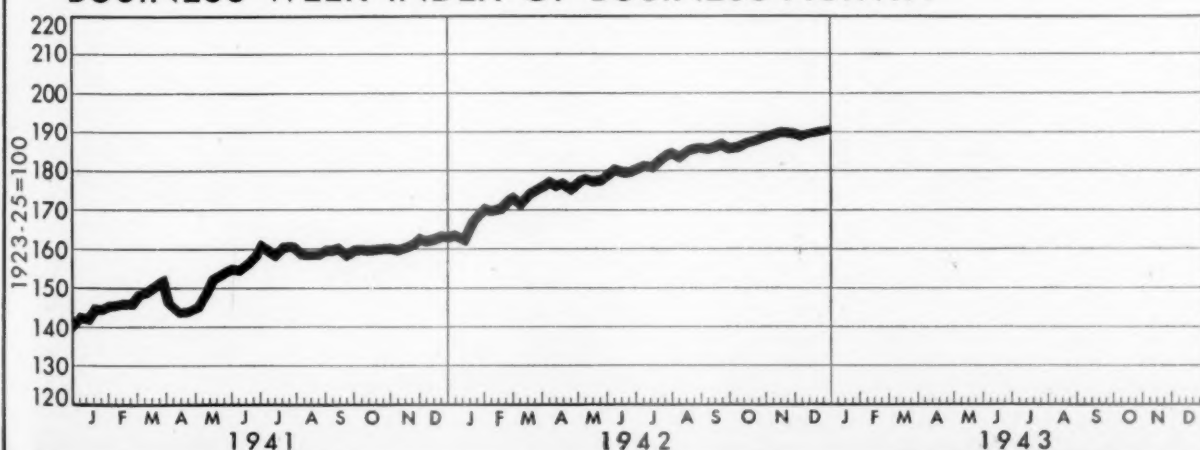
\* Preliminary, week ended January 2nd.

† Revised.

‡ Ceiling fixed by government.

§ Date for "Latest Week" on each series on request.

## BUSINESS WEEK INDEX OF BUSINESS ACTIVITY



**"No Ship, Plane, Tank, Telephone, Or  
Power Plant Can Operate....."**

...an essential products made of phenolic resins  
other "Because without parts made of with  
cause phenolic resins, no ship, plane, tank, produ  
with telephone, or power plant can oper. phen  
and ate, it is necessary to insure that all telep  
nk, requirements for these and other ate,  
per- essential products be met." requ  
all other Because without parts made of essen

That single sentence from an industry report on WPB's new order M-246 tells the story of plastics today, for in hundreds of new ways plastics are providing better weapons of war and improved tools for industrial production. The story of plastics tomorrow sketches even a wider horizon, where plastics will enter new fields and make products that are now only blueprints and imagination.

For complete information about the development, designing, engineering and manufacturing of plastics parts write Section A-1, One Plastics Avenue, Pittsfield, Mass.

PLASTICS DEPARTMENT  
**GENERAL  ELECTRIC**

PG-1

# THE OUTLOOK

## Watch Production Efficiency

Drain on manpower, and turnover in labor threaten our productivity. Costs, profits, and price ceilings involved. Big savings increases complicate the tax problem.

After digesting the usual heavy diet of year-end reviews and forecasts, business men once again this week set about facing prosaic, day-to-day problems. Taking Donald Nelson's comment, "In 1943 we shall be living in a full war economy" as the keynote, it is to arms and our fighting men that we must look for changes in 1943 business patterns.

### New Weapons

And equal in importance with the new monthly records for output of tanks, planes, and ships are the notable advances in design of American weapons. Latest dramatic instance of the effect of the new arms in battle is the success in Libya and Tunisia of the tank destroyer mounting a 105 mm. gun on a medium tank chassis.

This week Admiral Land announced that mass-production yards will be converted, by the latter part of this year, to turn out a new-model Liberty Ship with more cargo capacity and with more speed to evade submarines. And announcements from Wright Field research experts indicate that vastly speedier, heavier, and longer-range bombers soon will be coming off production lines. Technical advances like these may have far-reaching effects on the course and duration of the conflict.

Progress in design can therefore affect strategy and so alter our manpower needs for the armed forces—the one problem that cuts across every sector and corner of the economy. Recent elucidation of previous Washington estimates reveals that total end-of-1943 military goals are not far from 11,000,000 men.

### The Coming Pinch

Though current draft quotas are being heavily filled from the ranks of unskilled or school-going 18- and 19-year-olds, this boost in the projected military needs will pinch industry more sharply later in the year when the pool of younger men is exhausted and agricultural requirements approach sharp seasonal peaks. Then will be raised again the question of the optimum size of the armed forces.

For, at least the initial result of this drain is to cut productivity. Even an important producer in the machine tool industry—which, by virtue of its new

equipment and high wage rates is less quickly affected by qualitative deterioration of machines and labor—now reports declining man-hour output as a result of the introduction of unskilled women into plants.

### Labor Turnover

More, the 1943 manpower program necessarily involves large shifts in labor from less- to more-essential jobs, a transfer that, in turn, implies retraining and loss in efficiency, at least temporarily. On top of that, enlistments and job-shifts merely to obtain better working conditions have made labor turnover what Mr. McNutt called this week "the most important single problem facing

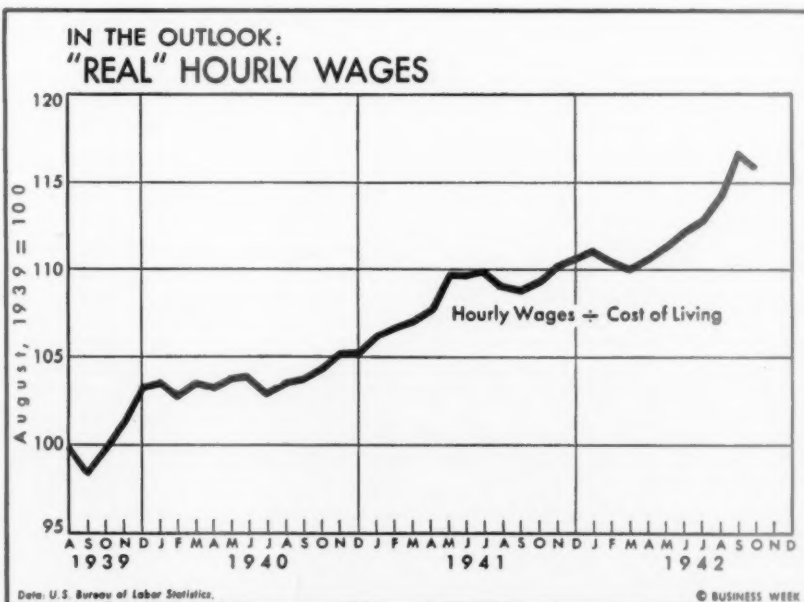
the nation at this time." Turnover, however, has been cut by the recent ban on enlistments and extension of local job stabilization agreements.

That the threat to productivity is growing is evidenced by renewed discussion in the auto industry of the desirability of switching wage rates from an hourly to a piece basis. The theory, of course, is that piece work will increase incentives and, therefore, efficiency. But labor opposition is likely to prevent such a change.

However, if a decline in efficiency is only now reaching out into such industries as machine tools and autos, the impact on lines like textiles, steel, coal, and foods, which have already experienced a drop in 1942, is growing more serious daily.

### Costs Up, Profits Down

The effect, of course, is an increase in labor costs per unit of output. Ordinarily, the upward pressure on that ratio is from wage rates; but now, even if wages stay stable, costs rise. Profits,



In October, latest month for which data are available, and probably again in November, "real" hourly wages turned down after a sharp six-month rise. Since September, 1939, actual hourly earnings have advanced almost consistently. But living costs, fairly stable in 1940 and early 1941, began to increase rapidly until the price freeze again stabilized them. However, costs jumped again in late 1942, and now strict price control is being

endangered in Washington. If "real" wages do decline further, new wage demands will arise (BW—Dec. 26 '42, p13), especially since overtime time-and-a-half rates and more jobs in high-pay arms lines artificially lift the curve anyway. Indeed, "real" wages are usually difficult to reduce—"sticky" on the decline—and the 15% advance since the war is likely to prove a postwar legacy that business will have to face.





## TINY TEST TANKER

Resembling an ungainly submarine, the experimental, concrete tanker *Phantom* puts in at Washington on its trial run from Riviera, Fla., where it was cast in four sections on a marine railway. Patterned by V. Yourkevitch,

designer of the liner *Normandie's* hull, the 91½-ft. craft required 70 tons of concrete, and six of steel; it will carry 100 tons of oil and is a possible forerunner of 240-ft., 2,000-ton tankers. The experiment was conducted to show that small yards, with few facilities, can build such vessels.

obviously, will suffer, but should the advance in costs continue unabated during 1943, production in some lines under price ceilings may be threatened to the point where a raise in the ceilings will be unavoidable.

But, by comparison with the pressure that excess consumer income—the inflationary “gap” (BW—Dec. 12’42, p120)—exerts on the retail price level, these adjustments to meet higher costs present minor headaches. And increasingly, price and tax experts are concerned about what the effect of forced savings or sales taxes might be not only on current consumer savings, but also on past accumulations.

## Spending Taxes?

For, the bulk of the 26 billion dollars that the Department of Commerce estimates consumers saved in 1942 is still in liquid form, cash, or demand bank deposits—perhaps 15 billions worth. Cash in circulation alone at the year-end totaled a fantastic \$15,407,000,000 as against \$11,161,000,000 a year ago, and \$7,261,000,000 in late August, 1939. Even at the peak of the 1929 boom, circulation failed to top 5 billions.

The fear is that the 15-billion-dollar accumulation might be used for spending, even if savings out of current income are enforced. Also imposition of a flat sales tax might unleash a huge anticipatory buying spree, founded on these liquid assets. Because any freezing of bank deposits or cash in circulation to “sterilize” this hoard is considered unfeasible, federal administrators will press harder for direct taxes on spending.

## Who Didn't Come?

Buyers throng furniture market in Chicago despite ODT ban; shortages are evident at manufacturers' level.

Buyers flocked to the winter market at the American Furniture Mart in Chicago this week—despite the Office of Defense Transportation's abortive effort late in December to call off the show—in the hope of cajoling manufacturers into selling them such furniture as they may have left or may still produce in the next six months.

• **Who Started Rumpus?**—Insiders laid the blame for the confusion over canceling the show at the door of certain southern furniture manufacturers who, having nothing to sell and being reluctant to apologize to dealers, exerted pressure on the ODT through their congressmen to call the show off on the pretext of curtailing holiday travel.

Belatedly, Joseph B. Eastman telephoned his blessings, but government speakers originally scheduled for the meeting were called off. Attendance figures were hushed—but topped even the record-breaking 13,000 at last year's winter show.

• **Few Inventory Cares**—That few buyers were worrying about WPB's Inventory Control order (BW—Jan. 2'43, p5) was evident in a general scramble to buy the somewhat meager offerings of manufacturers. Actually, only about 1% of the

nation's furniture dealers top WPB's minimum of \$200,000 annual sales and \$50,000 inventory.

Buying was spurred by dealers' fear of running short of goods. At present, store inventories are said to be about normal and the dealers' attitude is one of “so far so good.” In 1942, furniture volume dropped only 12% from the 1941 record high of \$740,000,000 despite wartime restrictions.

• **Wooden Springs Appear**—But manufacturers had little to offer buyers at this show. Some firms have closed out their line of case goods (as distinguished from upholstered furniture), either because they had none left to offer or because they preferred to save their dwindling stock for favored customers. Upholstered furniture shown contained either wooden springs or no springs at all, relying on cotton padding for comfort.

Because silks, woolens, and even rayons are increasingly difficult to get, tapestries and other fabrics made of cotton were prominent. Talk of the market was modernistic furniture demountable with a mere twist of the wrist (BW—Jul. 25'42, p68). Enough of it for a four room apartment can be packed in a 6x6x6 ft. box.

• **Signs of the Times**—Lullabye Furniture Corp. admitted that because of a 30% increase in the national birth rate it is 60 days behind on deliveries. And the booth of one firm formerly making metal outdoor furniture advised, “Nothing to sell—come in and relax.”

The dearth of furniture at the show is partly due to the fact that, at present, 65% of the nation's furniture makers are selling to the government and the rest are trying to get war contracts. Chief difficulty has been the fact that very few furniture factories are set up on a straight assembly line system. Consequently, they have been unable to get their costs in line with those of competitive bidders.

• **Lumber Squeeze Slight**—Material and labor shortages plague factories still producing furniture, but although every furniture maker howls about lumber shortages, a recent survey by the National Retailer Furniture Dealers Assn. indicated that few are having really tough sledding. Government requirements specify lumber with straight grain while furniture makers prefer curly grain, because it makes a more beautiful design in the finished piece, and accordingly can use butts, stumps, and burls.

Always a low-paid industry, furniture making is suffering disproportionately from the labor situation—workers are being lost to defense jobs in droves. Normally women are not used in furniture making to any great extent, but currently their employment has risen until they make up 18% of the industry's employment. Indirect worry of furniture makers is the shortage of workers in the lumber industry.



# 11½ Billion by Renegotiation

Army and Navy show manufacturers have turned back that much profit on war contracts. Maritime Commission hasn't reported. Navy is toughest. How the rules work.

That cut in profits on war material through renegotiation of contracts is running into big figures, and an increasing number of big contractors are accepting renegotiation as a means of fostering public good will.

- **Army**—Price reductions and cash refunds resulting from renegotiation of Army contracts now total about \$1,000,000,000. For the seven-month period from Apr. 28 to Dec. 4, the total was \$829,332,800, of which \$124,220,400 was in cash refunds and \$705,112,400 in price reductions to be realized on outstanding contracts.

- **Navy**—Navy's recapture as of Nov. 30 totaled \$523,655,044, of which \$122,294,677 was in refund and \$401,360,367 in price reductions.

- **Maritime**—The Maritime Commission will not reveal how much has been recaptured on its contracts. Its refusal is arousing curiosity as to the scale of profits on ship construction.

- **Treasury**—Contracts awarded by the Treasury Dept.'s Procurement Division were not brought under the renegotiation law until October. In consequence the profits recaptured to date are insignificant in amount but will be reported when renegotiation has proceeded sufficiently long to show a trend.

Topside policy on renegotiation among the services is uniform. They are looking, subject to certain specific exemptions under the law (BW-Oct. 31'42,p86), for what they consider excessive profits wherever these may be. However, the price adjustment boards are concentrating on big contractors.

- **7.5% Docketed**—All told, there are probably 80,000 concerns busy making war goods of one sort or another, but as of Dec. 4 the War Dept. had only 5,996 companies on its docket for renegotiation. Most of these have contracts totaling \$1,000,000 or more.

Possibly therefore, the odds are in favor of those small companies that gamble that they will never be reached, though the law actually exempts only contractors or subcontractors whose annual volume of war work is less than \$100,000 a year, and renegotiation with big contractors frequently leads to renegotiation with their subcontractors.

- **For Higher Exemption**—The Senate's small business committee, on behalf of small contractors and subcontractors, is seeking an increase in the exempt limit from \$100,000 to \$500,000 a year, except in extreme cases of excessive profit or obvious cases of fraud. This has the endorsement of the Procurement Policy

Board, which is composed of representatives of government procurement agencies.

The services believe it's up to Congress to raise the exemption limit. They question whether they have authority to do so on their own initiative under the law, especially in view of the fact that at the time that the renegotiation statute was amended last October, Congress ignored a recommendation by the Army and Navy that the limit be placed at \$250,000 a year. Inasmuch as renegotiation of contracts is now smoothing out, after a long period of controversy and confusion, the services are not anxious again to reopen the subject on Capitol Hill.

- **Navy More Strict**—Because of the tremendous volume of contracts, price adjustment officials are urging that contractors volunteer for renegotiation. An increase in the exemption limit, as proposed by the Senate's small business committee, could be expected to reduce considerably the number of such volunteers.

Experience of contractors and subcontractors who have been through renegotiation indicates that in general the Navy is more strict, digs deeper into a company's operations than does either the Army or the Maritime Commission. It is Navy practice to employ part-time auditors to supplement the investigation made by its cost analysis and price adjustment personnel.

- **Get Final Clearance**—A big renegotiation inducement, especially to large

war material producers, is that the law, as amended last October, now provides expressly for final clearance for liability for excessive profits. When a contractor or subcontractor has renegotiated in good faith to eliminate excess profits for a specified past or future period, the agreement reached is final and is not subject to reopening at a later date except on a showing of fraud. The practical result is that big war contractors who have been through the "finalizing" process will be able to issue financial statements without setting up huge reserves for liabilities contingent on later renegotiation.

Many contractors and subcontractors not yet familiar with the law or the procedure governing renegotiation are chafing at the prospect. Many of their questions can't be answered except upon their submission of an actual statement of facts.

In renegotiation no distinction is drawn between special goods contracted for by the services and standard cataloged goods bought by them. In practice, the catalog price generally is left alone so that the manufacturer's competitive price structure is not disturbed, but if a catalog price is regarded as excessive in the volume that the goods are required, the manufacturer is asked to refund direct to the government or "upstream" through subcontractor and prime contractor.

- **Can Reach Far Down**—Renegotiation applies regardless of the channels through which the material is distributed. A manufacturer may not even have a contract with the government yet his price is subject to adjustment if his product is bought from jobbers and dealers by a contractor or subcontractor who sells it to the government as part of an assembled machine. In this case, the manufacturer is defined as a subcontractor within the meaning of the law.



## WOE FOR WOLF PACKS

Designed to hunt down submarines preying on United Nations' shipping,

multiple rows of Navy "Mariner" patrol bombers move down the assembly lines at the Glenn L. Martin Co. plant.

## How We Stand on Canned Goods Supplies

Shortages of canned, dried, dehydrated, and frozen foods have brought on rationing. The program is scheduled to be launched in February or March. Details of the civilian supply

situation are not completely available, but the statistics below—covering canned goods, the most important part of the rationed supply—show approximately how things stand:

### CIVILIAN SUPPLY OF CANNED VEGETABLES

(1,000 cases consisting of 24 No. 2 — or 20 oz.—cans)

	1940 Pack Year*	Estimated 1942 Pack Year
Asparagus.....	3,258	2,859
Beans, green.....	8,530	11,375
Beans, wax.....	1,269	20,475
Corn.....	15,524	1,300
Beans, lima.....	1,992	22,917
Peas.....	25,196	22,100
Tomatoes.....	29,533	6,200
Tomato catchup.....	6,144	1,911
Tomato catchup..... (tin container)	1,911	15,086
Tomato juice.....	15,086	3,000 (a)
Tomato pulp.....	2,827	2,000 (a)
Tomato sauce.....	2,574	2,500
Tomato paste.....	2,910	3,150
Beets.....	3,719	1,250
Carrots.....	1,435	465
Pimentos.....	465	888
Pumpkin & squash.....	3,090	5,563 (a)
Spinach.....	4,980	1,550 (a)
Others (b).....	1,441	1,874
Mixed vegetables.....	2,212	3,250
Kraut (c).....	5,737	

Total permitted pack	139,833	131,341
Vegetables for which no more tin con- tainers are available (including such items as baked beans, sweet potatoes, etc.).	46,307	12,618
<b>Grand Total.....</b>	<b>186,140</b>	<b>143,959</b>

Source: National Canners Assn.

\* Data for 1941 not available in strictly civilian terms.

(a) Partial data.

(b) Including carrots and peas, greens, okra, succotash.

(c) Packed from previous year's cabbage crop.

The table below tells in more compact, but perhaps not as comprehensive a form, the story of the canned vegetable outlook, as the Dept. of Agriculture sees it. Like most data from divergent sources, the Dept. of Agriculture and the National Canners Assn.'s figures differ somewhat. Thus DA puts the estimated civilian supply for 1942 at 135.9 million cases,

### CIVILIAN SUPPLY OF CANNED FRUITS AND JUICES

(1,000 cases consisting of 24 No. 2½ — or 28 oz.—cans)

	1940 Pack Year*	Estimated 1942 Pack Year
<b>FRUITS:</b>		
Fruit cocktail.....	4,361	3,300
Fruit salad.....	601	600
Peaches, Calif. Clings.....	9,608	8,680
Peaches, Freestone (a).....	584	1,240
Pears.....	5,520	4,200
Apples (b).....	2,058	1,700
Applesauce (b).....	2,002	1,553
Apricots.....	2,198	1,700
Cranberries (b).....	1,090	1,880
Berries (c).....	1,362	581
Cherries, red sour pitted.....	2,711	1,360
Cherries, sweet.....	595	732
Citrus salad (b).....	228	
Grapefruit (b).....	2,249	
Figs (b) (d).....	475	
Olives, ripe (b).....	1,135	500
Peaches, Calif. Free- stone.....	1,134	872
Pineapple (b).....	9,420	5,300 (e)
Plums.....	98	51
Prunes, Italian.....	1,235	900
<b>Total Fruits.....</b>	<b>48,664</b>	<b>35,149</b>
<b>FRUIT JUICES:</b>		
Grapefruit (b).....	11,376	8,141
Lemon.....	65	
Orange.....	2,543	
Blended citrus (b).....	1,772	
Pineapple (b).....	8,294	6,880
Fruit Nectars *.....	1,000	1,000
Grape Juice *.....	3,200	3,500
<b>Total Juices.....</b>	<b>28,250</b>	<b>19,521</b>

Total permitted pack	139,833	131,341
Vegetables for which no more tin con- tainers are available (including such items as baked beans, sweet potatoes, etc.).	46,307	12,618
<b>Grand Total.....</b>	<b>186,140</b>	<b>143,959</b>

Source: National Canners Assn.

(a) Excludes California Freestone.

(b) Pack beginning in year designated and ending in following year.

(c) Excludes cranberries.

(d) Not included in WPB order M-81.

(e) Complete data not available.

\* Estimated.

whereas N.C.A. figures about 144.0 million. Some of this variation is accountable from the fact that the DA's totals do not include baked beans, rhubarb, mushroom, and other miscellaneous items for which tin is no longer available but supplies of which are still moving to market although in amounts that are very moderate.

### CANNED VEGETABLE PACK \*

(1,000,000 cases consisting of 24 No. 2 — or 20 oz.—cans)

	Estimate for 1942 Pack Year	Forecast for 1943 Pack Year
Total Pack.....	192.9	178.6
Government Requirements.....	57.0	92.9
Available for Civilians.....	135.9	85.7

Variations in per capita consumption of canned goods by income groups are large. This is a problem for rationers. Similarly, there are variations in consumption

between farm and non-farm civilians. Here is the story (based on 1941) as told by the Dept. of Agriculture:

Families and single individuals with incomes of:

	Per Capita Consumption of Canned Vegetables	Per Capita Consumption of Canned Fruits	Per Capita Consumption of Dried Fruits
Under \$500.....	22.1 lb.	13.7 lb.	3.1 lb.
\$500 to \$1,000.....	36.8	18.0	4.5
\$1,000 to \$1,500.....	46.7	26.4	6.3
\$1,500 to \$2,000.....	48.7	31.2	6.6
\$2,000 to \$3,000.....	51.5	36.9	7.1
\$3,000 to \$5,000.....	52.6	43.6	7.7
\$5,000 and over.....	56.6	55.5	9.2

Per capita farm consumption (1941)\*.....

Per capita non-farm consumption.....

\* Includes imputed value of home canning.

Per Capita Consumption of  
Canned  
Vegetables

	Per Capita Consumption of Canned Vegetables	Per Capita Consumption of Canned Fruits	Per Capita Consumption of Dried Fruits
Under \$500.....	22.1 lb.	13.7 lb.	3.1 lb.
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\$1,500 to \$2,000.....	48.7	31.2	6.6
\$2,000 to \$3,000.....	51.5	36.9	7.1
\$3,000 to \$5,000.....	52.6	43.6	7.7
\$5,000 and over.....	56.6	55.5	9.2

Per capita farm consumption (1941)\*.....

Per capita non-farm consumption.....

\* Includes imputed value of home canning.

## Ration Dilemma

OPA, in dark on where 1942 pack is, has to stall on its canned food program. May start fresh competition.

Rationing of canned, dried, and frozen foods in February, as announced in the Wickard-Davis broadcast, is, as predicted (BW—Jan. 2'43, p7), out of the question. It will be March—or, more likely, April—before the ball gets rolling.

With only a very hazy notion as to how the 1942 pack is distributed, how bad the maldistribution is, and how much is left to ration, the Office of Price Administration will try to stall its program as long as possible, hoping to get a cushion with the start of the 1943 pack. (If the 1942 pack was to be rationed at all, the rationing should have started last summer—but intergovernmental red tape interfered then.)

● Where's That Pack?—Here are approximately all the known facts that OPA has on the whereabouts of the '42 pack:

The civilian share of it amounts to 144,000,000 cases of canned vegetables (off 23% from 1940) and 55,000,000 cases of fruits and juices (off 29% from 1940). Up to 70% of this pack could by now have moved out of processors' hands on the basis of WPB's conservation order M-237. Surveys seem to indicate that, in fact, the canners did release the pack quickly, did not hoard for speculative purposes. The same surveys also show that wholesale stocks (including chain stocks) are far below normal. Therefore, either retailers or housewives have accumulated the goods. So far as OPA is concerned, this is the worst of all possible situations.

● Have to Stock Up—OPA, therefore, has to wait with its rationing program until packers and wholesalers have enough stock to supply those who have reached the bottom of the barrel. On Apr. 1, WPB will allow packers to release the remaining 30% of their 1942 pack. On the basis of Department of Agriculture estimates that the average civilian ration will be a maximum of about 40 lb. a year, there is enough left in the pack to last three or four months. Hence, Apr. 1 would be the safest time to start the program. As an alternative, OPA could ask WPB to release the rest of the 1942 pack in March, start its program then, and hope that the goods will last until the 1943 pack begins to come in (late spring).

When the slate is finally wiped as clean as it will ever get, and rationing becomes a reality, here is how OPA will work the marketing side of it:

● Starting Inventory—Every grocer and wholesaler will start with sufficient inven-

tory. Such guaranteed stocks will bear a relationship to normal needs. OPA will force the heavily stocked distributor to use up his stocks before permitting him to get new supplies, while the fellow who has nothing will be allowed to buy an adequate supply.

(There's potential dynamite in this situation. A distributor who now is well-supplied can dump his holdings, knowing that he'll get new supplies anyhow when rationing starts. OPA is wise to this strategy. If it's used to any appreciable extent, the agency has the answer: Stocks will be frozen.)

• **Uniform Point Values**—Point values will be the same for all areas in the U. S. Originally economists had argued that rural areas use less canned foods (or, perhaps, more home-canned goods) than city areas, and that therefore the farmer should either (1) get fewer ration points or (2) pay higher point prices so that his allotment of stamps would exhaust itself quickly. OPA is afraid of this idea. It doesn't sound like "fair shares." Also, OPA has no exact knowledge of canned goods consumption by regions. If the farmers don't use all their points, point values could be revised downward to drain off the excess supply of rationed foods. Presumably this drain-off would come in the cities, for the farmers wouldn't buy beyond a certain level, no matter what the point value of the merchandise.

• **Shopping Problem**—A big headache, from the viewpoint of the food trade, is the problem of intra-industry distribution by means of coupon-claims. To begin with, the coupons or stamps are not redeemable currency in the banker's sense of the word. If your wholesaler doesn't like your haircut, or the way you pay your bills, he need not give you any merchandise despite the fact that you have the necessary coupons. You'll have to shop around.

Similarly, if you accumulate 100 coupons after selling 50 cans of peas and 50 cans of beans, that doesn't mean that your coupons will guarantee a stock-up of exactly the same proportions. Your wholesaler may be out of beans and send you beets. If you don't want the beets, you'll again have to shop around.

In this shopping around, look for some resurrection of the competitive system. For example, the retailer who—for lack of a remedy—accepts an over-supply of beets while short of peas and corn will advertise his "surplus" and perhaps even cut prices to get rid of it quickly enough to stake a fast claim on the next month's supply of peas and corn.

• **Old-Fashioned Selling**—The canner also will foresee the need of putting familiar sales levers under rationing. For example, chili sauce and cherry packers, expecting the housewife to try to use up her ration points on such primary vegetables as peas and corn, will think about inducements to get their packs moved. True enough, they will move in the long run, but most canners don't want to wait too long—hence a fresh



## ONE CAN'S THE LIMIT

Grocers, who are doing their part to prevent hoarding of canned foods before rationing sets in, limit sales of

canned goods to one can of each food to a customer. OPA compliments merchants on not permitting advance announcement of rationing to create the panic buying that critics expected.

interest in the advertising and discounts that have been fading out of a sellers' market.

Meanwhile, OPA has clarified some further features of its program, though it hasn't yet set the exact consumer allowance or exact point values of processed foods. Add these items to your food rationing facts:

Restaurants and other institutions will be on an allotment—not ration—basis. Customers can leave their precious stamps home when dining out.

OPA thinks consumers will be pretty honest in declaring pantry stocks. Apparently more than 75% of excess sugar was declared and retrieved.

Canned goods prices may be set on the basis of grades (unless the present program meets too much opposition), but point values will ignore grades.

Consumers who have large stocks of a single item—say baby foods—won't be deprived of other canned goods while baby eats. Purchases will merely be restricted until baby has gobbled up the inventory.

You can expect more point rationing in the food field. Here is a rough schedule: meat plus cheese; then butter plus margarine; then fats and oils; then other dairy products. Also, look for point rationing in the clothing and footwear lines.

While OPA may eventually consolidate some of its rationing programs, don't make the mistake of believing that eventually all foods will be rationed via a single book. Reason: Under the point system the consumer has the prerogative of choice, but too many consumers would choose coffee and meat rather than spinach and corn. Items like coffee, sugar, and meat will always have to be rationed separately to take them out of the realm of choice.

## Victory Vitamins

Department of Agriculture prepares big-time promotion for 1943 home-garden program to top 1942 by wide margin.

With canned goods rationed this year, the Department of Agriculture is preparing hot-shot, big-time promotion of victory gardens. It's serious business.

Wartime gardening got going last year, but only folks with some know-how got real encouragement. In the new edition of its bulletin on victory gardening, the department urges everyone with plantable land to safeguard his diet by raising his own vegetables.

• **Don't Plow the Lawn**—Nobody, least of all the Department of Agriculture, wants to see the futile plowing up of front yards so prevalent in the last war. The clay-fill foundation of most lawns makes them an exceedingly poor risk for crop insurance.

OWI publicity will give the same push to victory gardens that it put behind the scrap salvage drive. Women's magazines and newspaper tie-ups, broadcasts, movie shorts, etc., are included. Manual distribution of the bulletin and other printed information will be handled in cities through OCD and in rural areas by Department of Agriculture Extension Service leaders.

• **Plenty of Most Seeds**—Record seed production is well set to take care of the



## What Canned Goods Will Be Rationed

Rationing of processed fruits and vegetables is OPA's thirteenth rationing job. Here is what will be dished out via "fair shares:"

### I. Canned and bottled fruits and fruit juices (including spiced fruits):

Apples (including crabapples)	Grapefruit
Applesauce	Grapefruit juice
Apricots	Grape juice
Baby foods	Peaches
Berries (all varieties)	Pears
Cherries (red sour pitted)	Pineapple
Cherries (all others)	Pineapple juice
Cranberries and sauce	All other fruits, juices,
Fruits for salad and fruit cocktail	combinations

### II. Canned and bottled vegetables and vegetable juices:

Asparagus	Peas
Baby foods	Sauerkraut
Beans, fresh lima	Spinach
Beans, green and wax	Tomatoes
Beans, all canned and bottled	Tomato catchup and chili sauce
dry varieties	Tomato juice
Beets, including pickled	Tomato products, all others
Carrots	All other canned and bottled vegetables,
Corn	vegetable juices, combinations

### III. Other processed foods:

All canned soups	All frozen fruits
All dried and dehydrated fruits	All frozen vegetables

### The following are exempt from rationing:

Candied fruits	Olives
Chili con carne	Paste products (such as spaghetti, macaroni,
Frozen fruits in containers over 10 lb.	etc. whether or not packed with vegetable
Frozen vegetables in containers over 10 lb.	sauses)
Fruit cakes	Pickles
Fruit juices in containers over 1 gal.	Potato salad
Fruit puddings	Preserves
Jams	Relishes
Jellies	Vegetable juices in containers over
Meat stews containing some vegetables	1 gal.

demand. The 1941 crop ran to 1,134,000,000 lb. In spite of lend-lease demands, already estimated at an over-all figure of 50,000,000 lb. to date, there might possibly have been a surplus of some seeds this year except for unfavorable weather here and there.

Vegetable seeds, of which the Department of Agriculture lists 50 varieties, represent about 250,000,000 lb. of the 1941 seed crop. Grains, grasses, and legumes account for the rest. A few specific seed shortages—in beets, carrots, onions, and cabbages—may develop, so these are not being recommended for general export by the Department of Agriculture. By and large, however, it is expected that lend-lease and domestic demand will be adequately supplied.

• **Gardens Abroad**—Secretary Claude Wickard's Food Distribution Administration is carrying the victory garden to the United Nations; 80,000 vegetable seed kits, each containing seed enough for the average family garden, have been purchased for British War Relief. Russian War Relief, the American Red Cross, and other organizations are included in similar programs. FDA is also looking to heavy postwar demand for seed both by Allied nations and liberated countries.

Most victory garden produce will be eaten fresh in season, with the exception

of tomatoes, pickled beets, and late cabbage, all of which can be home canned. While home-canned products are not subtracted from the allowed ration of canned goods, and while the Bureau of Home Economics is hopefully pushing a share-the-canning-equipment plan, home canning is not likely to keep pace with home gardening. Drying, cellar, and food locker storage will take care of only a portion of home-grown produce.

• **The Vitamin Foods**—The Agriculture Department's recommended list of vegetables to be grown by victory gardeners is based on high vitamin content varieties that are easy to grow. Included are such standbys as tomatoes, beans, spinach, cabbage, radishes, onions, beets, and chard. Celery, pumpkin, melons, and other truck produce not on Selective Service's list of essential crops will be pretty scarce.

## WAR WORKERS' NIGHT SPOT

When tourists all but disappeared in Southern California last year, there arose a new sales problem for Earl Carroll—how to fill, night after night, a dinner-and-stage-show place with 1,300 seats, at around \$3 a customer.

In Hollywood, the customers are likely to be family motor parties from the Corn Belt. They are people away

from home, looking for something different to go and see—preferably something a little wicked.

Earl Carroll's problem was solved recently when it was discovered that the war plant workers are tourists at heart. He has set up a party department to cater to them. Over the radio and through other advertising, he has developed sales appeals that bring customers in solid blocks of hundreds, frequently enough to reserve the entire place for an evening. He specializes in a swing shift show that begins at 2 a.m.

Earl Carroll shoulders all the details, arranges the entertaining. If an aircraft company or shipyard wants a party for the whole organization, Carroll's events department breaks the group up by company departments, one section or one shipway taking a night out to commemorate some achievement. Hundreds of small parties are the backbone of the business.

These war worker parties soon developed an entirely new market. Inquiries began coming in from nearby training camps asking for rates and reservations for service men.

## Back to Bootleg

Illicit sales at fabulous prices come on heels of state of Washington's attempt to limit drinkers to quart a week.

Reminders of the old prohibition days are becoming increasingly prevalent in Seattle. Bootlegging is beginning to return as a flourishing business. The reason is the recent Washington State Liquor Board rationing ruling (BW-Dec.26'42,p37).

• **Card Rationing Decreed**—Ever since repeal, the state of Washington has operated under a system whereby no hard liquor might be purchased by the drink except in private clubs. Thus the major part of the drinking has been confined to homes. In November, however, liquor stocks in the stores began to get low, and the state liquor board decided to limit buyers to one quart of hard liquor a week by card rationing.

Bootleggers since have been getting \$5 to \$7 for a pint of whisky that sells for \$1.75 in the liquor stores, upwards of \$13 for a quart.

Bootleggers get supplies by having friends and relatives buy the one-quarter-week quotas for them. Also there has been some permit-forging.

• **Board Is Pessimistic**—The state liquor board admits that the final solution rests in having sufficient supplies to lift the rationing—or in a return of prohibition. Big wages and Seattle's two-year population gain of 114,000 complicate the problem.



# Postwar Shopping List

Latin America has one that will reflect many wartime changes in the market south of the Rio Grande. Developments now going on will shift needs and buying habits.

Economic developments in Latin America are bound to change the postwar trade relations between these countries and the United States (The Trend—page 92).

Many of the countries south of the Rio Grande—after a history which dates back nearly 400 years—are just now coming of age, both politically and economically.

• **Planning Era**—Colombia recently celebrated 40 years without a revolution.

Mexico, whatever the outside reaction to the expropriation of foreign properties, is struggling to prove that it can operate its own oil wells and that it will live up to new international obligations, when made according to modern Mexican regulations.

Brazil has a Six-Year Plan for industrializing the country and is soliciting United States cooperation to carry it out, confident that it can pay for equipment and technical aid with its newly-developed tropical products—rubber, vegetable oil, cocoa, fibers, quinine.

• **Coming Closer**—Air transportation is putting an end to the remoteness of Latin America. Six regularly scheduled planes a day now connect the Panama Canal Zone with the United States. The capitals and business centers of Colombia and Venezuela are less than a day from Miami (BW—Jan. 2'43, p19); a new cutoff air route brings the Amazon

rubber reservoir within two days of Miami or New Orleans; a pioneer semi-weekly air freight service to Lima, Peru, is the forerunner of great postwar air cargo fleets on South American coasts.

Colombia and Peru now have great new airfields in their steaming Amazonian hinterlands where astonished Indians feebly contest with bow and arrows the invasion of their domain.

Brazil will inherit from our Air Ferry Command a string of most modern airports along its backward northern coast, connected by broad roads to the nearest port or commercial center. And up the Amazon the Rubber Reserve Co. will some day pass along to Brazilians its chain of warehouses, hospitals and clinics, and radio communications system to become the focal points from which Brazil can push its homesteading and economic exploitation of one of the world's last great frontiers.

• **Set for a Boom**—In many ways, the stage is being set for a sound postwar Pan American trade boom.

With the United States buying every available strategic raw material and preventing economic collapses by paying for others (such as bananas and coffee) that it cannot now transport, large dollar balances will accumulate in almost every country in Latin America so long as our war needs restrict the southward shipment of goods. (Even in Argentina,

## NEW SOUTH AMERICA

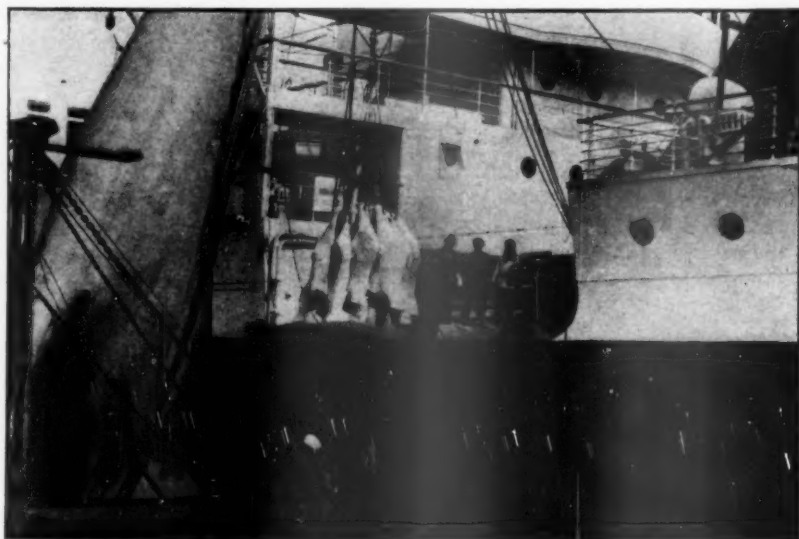
Our "good neighbor program" in Latin America has been subject to considerable exaggeration by romanticists. The market south of the Rio Grande won't change overnight—certainly not over a war-night of priorities and shipping shortages. But things are going on in these Latin American lands that have now been forced by war—and aided by Washington—to develop their great resources. Big plans for buying, new opportunities for selling are piling up for postwar.

What's of greatest significance about these changes is summarized for American management men in this sixth and final article of a series of special reports on the South American market by Business Week's Foreign Editor, written on the basis of an editorial mission to the countries of that continent for En Guardia, monthly magazine published for the Coordinator of Inter-American Affairs.

where both Berlin and Tokyo maintain active embassies, the United States foots the bills for the huge meat purchases supervised by the British Food Mission for the United Nations.)

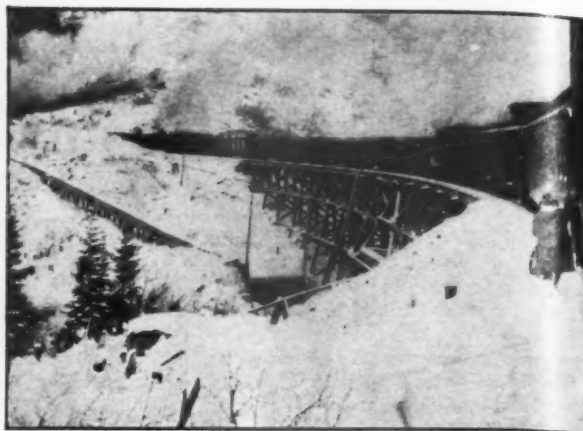
• **Better Exchange Basis**—Furthermore, Latin America is building a sounder foreign exchange basis for cash postwar trade with the United States by (1) developing local industries and local food supplies, which will reduce the demand for imports, particularly of the kind normally supplied by Europe and Japan and by (2) cultivating tropical raw products which the United States has normally obtained in vast quantities in other parts of the world (BW—Jun. 29 '40, p16). If this production can be expanded on a sound competitive price basis and trade can be supported by a rigid system of quality standards—such as were recently introduced in the Argentine (BW—Dec. 5 '42, p17)—Latin America will have a far greater dollar purchasing power than before the war.

• **New Information Available**—The technical mission, headed by Morris L. Cooke, which has just completed a survey of all of Brazil's industries and transport systems, has provided a model for the kind of economic census of plants, machines, output, raw material sources, labor supply and efficiency, power sources, etc., that many other countries want to make with Washington's cooperation. Such market survey data will be supplemented by the reports of the economic analysts whom the Board of Economic Warfare has established in every country to scrutinize local



Sides of beef, Argentina's (as well as Uruguay's) biggest wartime export, swing aboard at Buenos Aires en route to Britain and to the fighting men of

the United Nations. Although the British Food Commission handles the deal, Uncle Sam, through lend-lease, pays the bill.



### ARMY'S ALASKAN LIMITED

Sole connecting link between the Pacific and the new Alcan (Alaskan-Canadian) Highway is the 111-mile White Pass & Yukon narrow gage railroad, now being operated under lease by the U. S. Army, with the personnel all soldiers except for about 200 civilians. Starting at Skagway, head of Alaska's inside passage, laden supply trains (with few passengers) push north up one of the world's steepest grades. They wind up in Whitehorse, heart of Canada's Yukon territory. Despite soldier conductors and Army discipline, the natives of Skagway (where trains usurp Broadway, the main street) continue to dub the W.P.&Y.R. the "Wait Patiently and You'll Ride."



applications for equipment to be shipped under present rigid export control regulations. With this new information, United States manufacturers will be in a position long before the war is over to know what equipment each country needs at once, and in the longer-term future.

• **Changes in Buying Habits**—Some wartime changes in Latin America's buying habits will undoubtedly be more or less permanent.

Practically every country south of the Rio Grande is learning to be more self-sufficient in its food supply instead of relying on imports bought with cash collected from the sale of a few staple crops like bananas, coffee, sugar, and cocoa.

Colombia is growing rice on old banana plantations along the Caribbean. Peru is cultivating household staples in the new farm regions being opened on the eastern slopes of the Andes. Northern Brazil is planning to develop a local fish industry and is helping to develop small subsistence homesteads along the Amazon. Already the country is at work on a \$4,000,000 program to expand the local food supply. Venezuela has imported food experts, and a dairy mission sent by Washington has just surveyed the local industry and suggested improvements.

• **More Light Industry**—Latin America is likely to provide a dwindling market

for prepared foods, a ready outlet for food processing machinery and for foreign technical experts who, on a fixed contract and at good wages, will install equipment and train local workers.

Spurred both by the wartime loss of consumer goods imports and by the success of recently established light industries, most Latin American countries are laying plans to weave their own textiles, to make their own shoes and tires, to manufacture their own simple chemicals, and—in markets as large as Mexico, Brazil, and Argentina—to assemble their own automobiles, electrical equipment, and radios.

Venezuela is successfully making its own tires in a factory built only a few years ago and using only native workers. Peru is rushing a new tire factory at Lima.

Colombia's textile mills are operating at capacity. Brazil's have been able to accept war orders for special army goods and to sell de luxe consumer fabrics in the exacting Buenos Aires market.

Chile has expanded its shoe industry and has recently built two hardware factories. Uruguay is hoping to build a small paper industry. Refugee Basque fishermen have put new life into a languishing industry in Venezuela.

• **More Heavy Imports**—Heavy industry in the United States can expect huge new demands for its products in Latin America.

Brazilian industrialists at São Paulo are prepared to operate a large new aluminum industry if they can secure the equipment from us. They have large bauxite deposits only a short distance from the city, a new plant, and an adequate supply of electric power.

It will be two years before the steel mill near Rio de Janeiro is completed, but Brazilians insist that they will be ready to expand the industry by then if the war is over and they can get the equipment.

Argentina, Brazil, and Peru all need oil drilling machinery, and Venezuela is clamoring for the development of the iron ore mines along the Orinoco. Peru believes it has the coal and the iron ore for at least a modest local steel industry and is already starting the first stage of a carefully laid, threefold plan to develop them (BW—Dec.12'42,p19)

• **Rails and Roads Wanted**—Twelve countries are already developing big health and sanitation projects which require machinery at once and set the examples for far larger projects after the war. Every country is building up a backlog of railroad rolling stock, demand for which will be dangerously urgent even a year from now. And every country is at last aware of the need of highways, and looks enviously at the construction records made with U.S. equipment and methods on the Alcan (Alaskan-Canadian) and the Pan Ameri-

**"Unforeseen events . . . need not change and shape the course of man's affairs"**



## HOW MANY DAYS IN AN HOUR?

THIS WORLD AT WAR is whirling at a faster pace than ever before. Changes that once were a matter of slow evolution now occur with breathtaking speed. Days are crowded into hours.

Executives know that the march of events is bringing new hazards to their business. Last year's insurance protection may need revising to meet current conditions.

Priorities, rationing, potential sabotage and war damage can affect insurance needs. Increased

production schedules, personnel shortages and changes, inadequate check-ups and rising costs may have a direct bearing on your insurance portfolio.

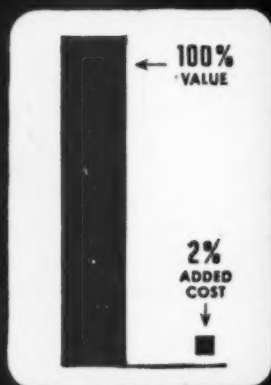
So today, wise business heads are working closely with their insurance men to assure themselves of up-to-the-minute protection in a changing world. Keep in touch with your Maryland agent or broker. Maryland Casualty Company, Baltimore.

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\*Permanent grades

can highways. Road building will provide one of the biggest postwar jobs south of the Rio Grande.

• **Postwar Buying List**—With imports stymied by the shipping shortage and the unavoidable wartime priority system, not one of the 20 republics to the south is without a list of things it wants to buy the minute the war is over. Many of them—like Mexico and Brazil—have vast programs of expansion mapped out, and are now writing equipment specifications. Before the end of this year some of them will even place their orders so as to get ahead of their competitors.

The suppliers who get thoroughly acquainted with these markets now will have the best chance at a profitable slice of a big postwar business.

## Wheat Whirligig

Trimming bread's frills and boosting flour's ceiling fails to unwind wheat's dizzy economic spiral.

Within ten days, 30,000,000 housewives will return to their trusty old bread knives. They will be forced to do this as part of Stabilization Director James F. Byrnes's rearguard battle against food and farm price inflation. On direction from Byrnes, the Dept. of Agriculture has banned the sale of sliced bread—one of the hallmarks of modern living—along with a number of other baking and distribution practices.

• **More for Farmers**—Purpose of Secretary of Agriculture Claude R. Wickard's bread order was to enforce economies on the baking industry; in turn, these economies were designed to enable bakers to absorb increased flour prices permitted by an OPA specific dollar-and-cents flour price ceiling; and the ultimate goal of the whole setup was to permit millers to pay farmers more for wheat.

Briefly, that is the way the whole complicated wheat-flour-bread cycle, which was the first and most troublesome problem laid in Byrnes's lap, rests at present. However, despite combined efforts of the Stabilization Director, Agriculture Dept., and OPA, the situation is not expected to remain static. In fact, the long range trend is moving in the direction of a 1¢ rise in bread prices, which would be translated into 100% parity prices on wheat (BW—Jan. 24, p. 7).

• **Intentions Were Good**—The price of bread was frozen at the March level by General Max. However, prices of bread's main ingredients—flour, dairy products, and to some extent eggs—were not controlled until enactment of the anti-inflation law early in October. At that time, President Roosevelt coupled the

appointment of Byrnes as Stabilization Director with a directive to OPA to freeze prices of flour, dairy products, eggs, and a number of other foods and ingredients.

OPA established the freeze on the basis of top prices charged by each individual seller between Sept. 28 and Oct. 2. In doing this, OPA carried out the President's interpretation of anti-inflation with regard to parity returns on farm products, particularly wheat; that is, flour prices could be set at a level which would reflect back to the farmer a price for his wheat equal to parity minus benefit payments. This price, taken together with benefit payments, of course, would give farmers a 100% return (not price) for wheat.

• **Bakers and Millers Hit**—This resulted in an immediate howl from wheat members of the congressional farm bloc as well as the grain futures markets which were threatened with extinction by this interpretation of parity return. Both wanted prices set on flour that would permit millers to pay a straight 100% parity price.

Since 60% of the nation's flour goes into bread, wheat could not be permitted to go to parity without increasing bread prices. From there on out, the wheat-flour-bread situation, so far as the Administration was concerned, became one continuous fight to prevent that 1¢ rise in bread prices. However, bakers had absorbed increased ingredient and labor costs between March and October without any help from Washington, and even OPA was willing to admit that baking and milling industry margins were at or below minimum levels.

• **Subsidies Froze Wheat**—To complicate the situation further, the whole market continued to rise in spite of the flour price freeze, and millers in some sections were unable to get wheat at prices that would enable them to sell flour at their ceilings. The relationship between the price of flour to the baker and consumer and the price of wheat remains constant at most mills. In other areas the reverse was true—flour prices wouldn't permit millers to pay up to 85% of parity for wheat. This meant that farmers floated Commodity Credit Corp. loans (at 85% of parity) against their wheat rather than sell it to millers below this figure.

On the other hand, CCC, which owns a lot of wheat, can't make sales to millers at less than 100% of parity. To insure an adequate flow from farmer to miller, OPA and the Agriculture Dept. announced in October that CCC would subsidize farmers who would take their wheat out from under government loans and sell it to millers, but a reluctant CCC found a number of technical excuses for not introducing the subsidy.

• **Retailers' Popularity Waned**—In the meantime, as the farm bloc battered OPA for higher farm and food prices,





## TOTAL LOSSES ARE RARE

Most insurance claims are for *partial loss*—part of a building damaged—precision machines subjected to water or severe heat—merchandise burned, wetted, or merely smoked—cartons torn open and goods thrown about by thieves. These are only a few of the many possible situations of this sort.

The negotiation of these partial loss claims is usually complicated and troublesome—and often involves several different insurance companies. In such cases you will find that "a feller needs a friend"—some one skilled in such matters who will *represent you* in the negotiations—and argue your side if there is an honest difference of opinion as to how much the insurance company owes you.

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The broker is free to buy for you from one company or several companies—as your needs dictate. He knows how to modify insurance policies to make a *tailormade coverage* for your business. His many services are always at your command. Yet his compensation is not an extra fee from you, but a brokerage paid by the insurance companies.

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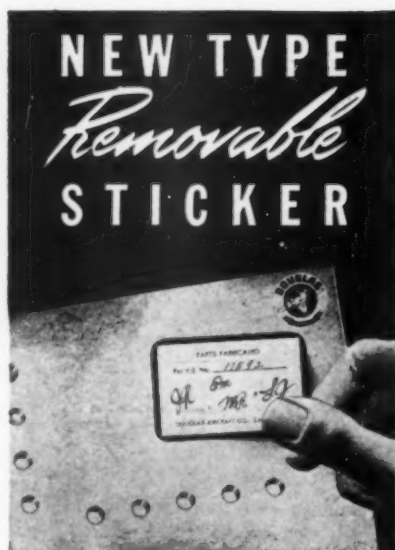
SEATTLE

VANCOUVER

WINNIPEG

TORONTO

MONTREAL



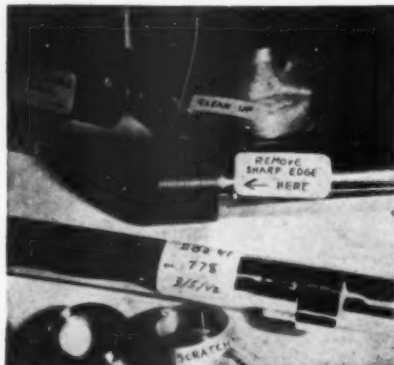
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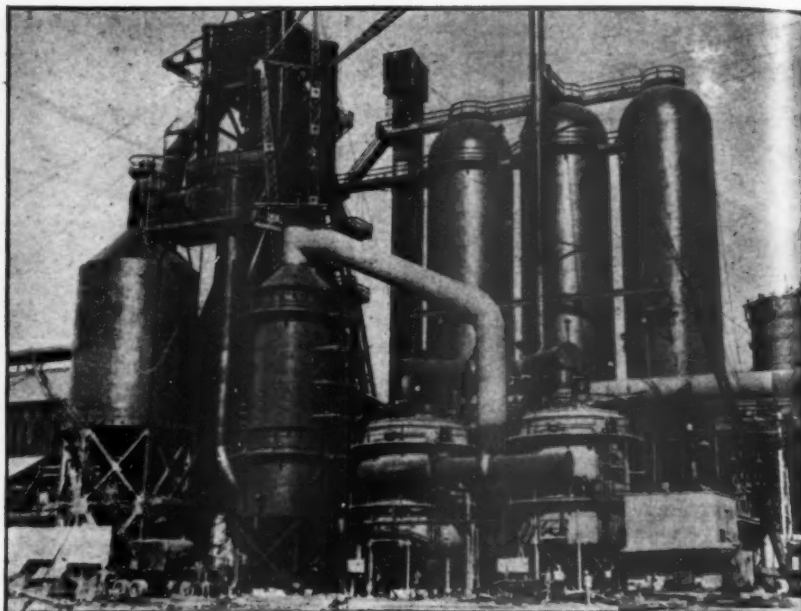


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Set up on a former piggery near Los Angeles, the 1,200-ton-a-day blast furnace in Henry J. Kaiser's new iron and steel mill has been fired—initial step in a new steel-making venture on the West Coast. By next month, four open hearth furnaces are expected to be turning pig iron into steel, and ship plates are to glide from a 110-inch rolling mill by May. Kaiser

wanted to erect a \$78,000,000 plant (BW—Nov. 21 '42, p55), but WPB yielded only \$26,000,000, providing for two more hearth furnaces and sundry equipment. At the start of this year, the West Coast's steel ingot capacity was 1,200,000 tons, while Colorado's 1,100,000 tons gave the Far West no more than about 2½% of the nation's total.

the cry arose that the middleman was getting all the gravy out of food and farm prices. In fact, the cry reached such proportions that Chairman Fulmer of the House Agriculture Committee started planning hearings on the middleman's cut for the new session of Congress.

This gave Byrnes a new angle to work on. He ordered the Federal Trade Commission to investigate baking and milling industry practices with a view to possible economies. Although it has never been made public, FTC's report recommended economies in bread baking but found no way to take anything out of the millers' operation. With this as a basis, Byrnes started all over again by directing OPA and Agriculture to implement the following program:

(1) An OPA order, released Jan. 2, putting specific dollar-and-cents prices on flour, averaging 10% above the previous level. Prices, set by zones, were raised from 40¢ to 74¢ a bbl. for family flour, from 25¢ to 87¢ on bakery flour.

(2) An Agriculture order, issued Dec. 30, designed to cut bread costs enough to absorb the flour increase. In addition to banning slicing, twisting, double wrapping or other wrapping practices, consignment selling, refunds, credits, exchanges or allowances, the order

limited varieties of bread that each bakery could produce in a week and made enrichment of all bread mandatory.

(3) In line with Byrnes's general policy of abandoning subsidies in favor of industry economies and moderate price rises, CCC gladly forgot about its wheat-for-flour subsidy and promised to support prices of millfeed at \$1.50 a ton below the OPA millfeed ceiling. This is important to millers because millfeed, which is the left-over from the flour operation, very often provides the actual profit margin on the whole milling operation.

• **The Headache Remains**—In the meantime, millers began to squawk because wheat prices continued to rise. Wheat rose the same day OPA's new regulation was issued.

With the farm bloc renewing pressure in the new session of Congress for 100% parity price on wheat; with millers unable to pay rising wheat costs, even under the new ceiling, and uncertain as to whether farmers will provide an adequate flow of wheat to mills; and with bakers questioning whether the new economies will permit them to absorb flour price increases on bread, the 1¢ rise in bread prices looks like the next whirl in the dizzy wheat-flour-bread price cycle.



# A BOY COMES HOME

REMEMBER how he used to come home?

There'd be the slam of a car door in the dusk. "So long, Joe, see you tomorrow." Then the swift, light footfalls brushing the leaves on the walk, the thud as 160 pounds of wiry muscle hit the porch in an easy bound that ignored the existence of steps . . . the crash of the front door, rattling every picture in the house, and the newly baritone voice calling, "Hey, Mom, when do we eat?"

Remember?

Now, a Marine flyer, he comes thundering in to Guadalcanal in the last light, the wind howling through the new hole in the fuselage where a chunk of shell just missed. The bomb racks are empty and, miles away on the darkening water, a Jap officer volleys desperate orders from the bridge of a destroyer that will never see Yokohama again.

Below, as his plane circles, American guns are still pounding away, winking and flashing in the twilight. On the flying field the crawling tractors and their sweaty drivers are at their endless task, filling fresh shell holes and bomb craters, making a safe surface for him. Back and forth the tractors go, up and down, looking from this height like friendly beetles, each rolling a ball of earth ahead of it. He is conscious of relief. That strip hadn't looked too good when he took off.

He loses altitude now, the ground comes up with a rush and the wheels touch and cling. He climbs stiffly down and a voice says from the gloom, "You're late, pal. Nothing minor, I hope?" He grins. Bill must have waited around, the worry-wart. What he says is, "Okay, here. Did you wolves by some mischance leave anything to eat?"

He's back at his home port again—and safe!

★ ★ ★

To make his homecoming safe, the rugged International Tractors which the Marines took to Guadalcanal have worked unceasingly throughout that wild fight. Under every adverse condition, the tractors have kept going, their performance a tribute to the determined men and women who built them.

*We take it to be our job, and the only job of the many machines and weapons we make for Army, Navy, and Marines, to do our best to see that every American fighting man comes home—AND COMES VICTORIOUS.*

INTERNATIONAL HARVESTER COMPANY

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D. C.; London. Established 1907.



**BUY WAR BONDS**

**MOTION PICTURE CAMERAS AND PROJECTORS**



PRECISION-MADE BY

# *Bell and Howell*

## If at First . . .

WPB plans new approach to concentration of industry after unfortunate experience with farm machinery.

WPB's cautious program of concentrating manufacture in shortage-hit industries into fewer hands was slowed almost to a standstill after the semi-concentration of the farm machinery industry (BW-Oct.31'42,p16). Now it's getting set to move forward again, but in a new direction. Look for several new orders later this month—all of them aimed at the metal-using industries.

• **Off the Farm**—The much-criticized farm machinery program, which cut production of new equipment to 20% of 1940 levels, marked a turning point in WPB's course. The Department of Agriculture unofficially blasted the board's treatment of the farmer as poor mathematics and worse diplomacy. And when Secretary of Agriculture Wickard noted that WPB was probing into other fields related to agriculture—among them sugar refining—he put his foot down.

WPB is in no mood to fight Wickard. Instead, the concentration program will steer away from anything relating to farmers and food. It will again be a metal-industries affair, but excluding any metal industries directly serving the farmer with capital equipment.

• **Two Big Changes**—Meanwhile, two major changes have occurred in WPB's original line of thought:

(1) Concentration on a more or less voluntary basis among members of a designated industry won't be tried. WPB hadn't ever wholeheartedly advocated such a program, but there were staunch advocates of the idea who insisted that since it was tried in Britain it could be tried here.

(2) Compensation systems on British models, intended to provide income for those manufacturers who are shoved out of the civilian field, are junked.

• **Sees Differences Here**—WPB now feels that the English experience along these lines has little bearing on the U. S. situation. English industry, it says, is more closely knit than ours, mainly for the reason that English manufacturers compete on world markets with the manufacturers of other nations—not with each other; U. S. industrialists—accustomed only to stiff domestic fights—would probably never agree on anything. Furthermore, concentration in the metal industries tends to push manufacturers into war work. Very few, argues WPB, will find themselves entirely out of work.

• **What Makes a Candidate**—Criteria for determining when an industry

should be concentrated still remain pretty much the same as before. The industry must be engaged in making essential civilian supplies; its supply of raw materials must be so low that unregulated manufacture would be uneconomical; and the results of concentration must include the release of manpower, transportation facilities, and fuel.

To date five industries have been concentrated in whole or in part: stoves, typewriters, bicycles, farm machinery, and the pulp and paper industry in the Puget Sound area.

## ODT Backs Down

Protests stirred up by Order 21 forces changes in policy; farmers appeased but truckers are dissident.

The Office of Defense Transportation's Order 21, requiring the owner of every commercial vehicle to secure a Certificate of War Necessity, has had a hard road to travel from the very first day it was issued last Sept. 9. The road has become bumpier at every turn until today ODT faces: (1) a hostile congressional farm bloc; (2) an investigation by the Joint Government Economy Committee, which regards the ODT 21 application blank and attached 24,000-word book of instructions as a bad example of a government questionnaire; and (3) the enmity of virtually every trade association representing major users of private motor carrier transportation.

• **Purpose Changed**—As originally announced, ODT 21 was designed to enforce previous orders requiring conservation in the use of commercial vehicles. For example, ODT Order 17 provided that private motor carriers must cut their mileage 25% below that of 1941, and ODT 21 was supposed to enforce it. However, ODT 21 was soon converted into an order providing an individual conservation plan for every commercial vehicle in the U. S. No commercial vehicle can operate without a Certificate of Necessity; each certificate gives the precise mileage that each vehicle or fleet can be operated.

To enforce the mileage provision, ODT has an arrangement with OPA's rationing system, which restricts purchases of gasoline, tires, or other motor vehicle necessities to the mileage requirement provided in the certificate.

• **Farm Bloc Appeased**—The order originally was scheduled to go into effect Nov. 15, but was postponed until Dec. 1, to coincide with national gasoline rationing. Later, without admitting it in so many words, ODT postponed the effective date to Jan. 1, for many trucks and to Jan. 31, for the rest, because so



# modine

## UNIT HEATERS are helping to insure man-power against colds and accidents

AMERICA IS LOSING 400,000,000 work-days of war production yearly—because of workers' injuries or sickness!

Every war plant must open a second front *now*—to protect workers—to stop this waste of man-power.

Employee training, preventive medicine... and improved working conditions will do it.

Planned heating will help you prevent worker colds and accidents. A plant heated by Modine Unit Heaters is a healthier place to work.

Thermostatically controlled... Modines automatically maintain even temperatures in all working spaces. No chilling drafts stiffen workers' muscles, or numb their hands and feet. No hot blasts make them uncomfortable, over-heated, or drowsy.

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Get War Edition Catalogs 142B and 142C.



Look in your phone book for Modine representative's name—"Where to Buy It" section under heating apparatus.

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**STEEL UNIT HEATERS**  
now available to  
**INDUSTRIES**  
**DOING WAR WORK**

VERTICAL DELIVERY MODEL





## for Outstanding WAR PRODUCTION

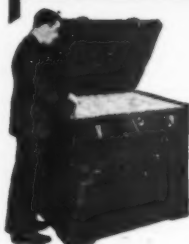
E-flags already are flying over many plants on Missouri Pacific rails. The will to work and win, backed by abundant raw materials, fuel, power, skilled labor and dependable transportation has transformed the Central West and Southwest, served by Missouri Pacific Lines, into an arsenal for America.

There's ample space and opportunity here for immediate and future plant expansions, and Missouri Pacific's Industrial Engineers and Technologists will be glad to furnish comprehensive surveys of available industrial sites. For prompt attention, write or wire

J. G. CARLISLE  
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And you'll be convinced that Electro-Copyist is the perfect time- and money-saver wherever reproductions are involved. Offices, drafting rooms, legal departments recommend it everywhere!

many of them had been slow in filing their applications.

In the meantime, the office is straining to make the order palatable to all concerned. To appease the farm bloc in Congress, it announced that every farmer would get as much mileage as necessary to take care of his crops as long as there is any gasoline, tires, or trucking equipment in the U. S. Going one step further, ODT had county agricultural defense boards name special farmer transportation committees.

• **Appeals Made Easy**—Any farmer who thinks he didn't get sufficient mileage in his original certificate may appeal to his local committee. Regional ODT offices have been instructed to accept committee decisions without question.

In an effort to ease the strain between ODT and owners of private motor carriers, field representatives have been dispatched from district and regional offices to 500 cities and towns. Representatives receive applications for adjustments in the mileage provisions of certificates issued for trucks in local areas. This is topped off by an ODT publicity campaign telling motor carrier operators how easy it is to get these field representatives to "correct" the certificates.

• **Office Conflict**—The reasons ODT has been forced into appeasement go back shortly before ODT 21 was issued. At that time, the office had a series of conservation orders for all types of motor carriers—common, contract, private, and local delivery. These orders imposed mileage reductions and other provisions uniformly on all carriers in a given class. A group in ODT insisted, however, that real conservation could only be achieved by working out individual conservation programs for virtually every motor carrier.

Trade associations, whose members are major users of motor carriers, opposed this theory of conservation and insisted that sufficient mileage and facilities could be saved by uniform restrictions on the major classes of carriers, or at least the major groups of users, for example, bakery trucks. Leading exponent of this theory was the National Council of Private Motor Carrier Operators, representing all major private truck operators.

• **Issues Were Clouded**—Despite ODT Director Joseph W. Eastman's denials, representatives of private motor carrier operators in Washington regarded announcement of Order 21 as a sly way of scrapping uniform conservation orders and instituting individual conservation plans for every commercial vehicle. Their suspicion grew when ODT officials refused to discuss fully and freely the purposes of ODT 21, the method to be used in computing permissible mileage for every truck.

Despite the fact that John L. Rogers, Interstate Commerce Commission career man, is actually in charge of ODT's



Adding weight to rumors that the Office of Defense Transportation's Order 21 (certificates of war necessity) is to be scrapped is the resignation of John R. Turney, director of ODT's Division of Transport Conservation and close adviser to Director Eastman. Formerly a Greyhound Lines' attorney, Turney originated the individual conservation plan for commercial vehicles.

Motor Transport Division, and Edwin M. Brady is head of the Private Carrier Section of the Motor Division, representatives of private truck owners have charged from the beginning that the agency is loaded down with officials who are either railroad or common carrier long-haul minded. In fact, they charge that Eastman, himself an ICC railroad man, is surrounded by a coterie of advisers from the common carrier field who actually run the private truck show over the heads of Rogers and Brady.

• **The Plan's Origin**—The idea of an individual conservation plan for each truck has long been known in Washington motor carrier circles as the "Turney plan"—named for John R. Turney, former Greyhound Lines' attorney, who is one of Eastman's close advisers.

Although Eastman wouldn't admit it until cross-examined before the Truman committee late in November, permitted mileages for certificates were computed on the basis of a so-called load factor formula—the percentage relationship of the average load to the average truck capacity. Computation of the load factor was based on the answers to questions designed to learn the number of trips made during the past year, the number of miles traveled, and other similar information.

• **Inequalities Charged**—Use of the load factor for permitted mileage is leading to a number of inequitable competitive situations, according to critics. They say it is possible for two bakers, for an example, to receive unequal percentage cuts in mileage despite the fact they





## *Added Machine Hours*—FREE!

Machine setup time takes its toll of production and no one can banish the thief. But with **HECKER** tools you CAN cut the time needed for setting up, and so increase the production time of your machines.

We can't hang "E" banners on **HECKER** tools, although they deserve it. But we are helping others to earn and fly this proud flag, by *designing and building* tools, jigs and fixtures to speed up exacting production jobs. We can put the same know-how into your tools—for added hours of machine output.

Our engineers rub elbows daily, in our own shop, with the problems of precision parts production—specifically, parts for leading aircraft manufacturers. They know men and machines and how they work together on an endless variety of job requirements. That's the extra something that goes into every **HECKER** tool.

The best way to know **HECKER** service is—give us a tough tooling job to handle and let us demonstrate. Write A. W. Hecker, 1986 East 66th Street, Cleveland, Ohio, or 517 New Center Building, Detroit, Michigan.



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DESIGNERS AND BUILDERS OF TOOLS, JIGS AND FIXTURES—FABRICATORS OF AIRCRAFT PARTS

# Watch the Birdie!



ALL the new branches on the "Rope Family Tree" are being developed as rapidly as nature and ingenuity will permit. But one of the most promising is that limb on which the birdie sings—synthetic fiber.

Already, Plymouth's laboratories have developed a synthetic fiber rope for military use that has even greater tensile strength than Manila.

Some day, that birdie will be singing a sweet song for American industry.

... You can depend upon Plymouth to pioneer a way through experiment with natural fiber, as well as through the development of synthetics, to supply you with the rope you need, as quickly as is humanly possible.

Meantime, save rope, save twine.

Plymouth Cordage Company, world's largest maker of fine rope, binder twine and tying twine. North Plymouth, Massachusetts and Welland, Ontario.

**PLYMOUTH**  
ROPE FOR INDUSTRY  
BINDER TWINE • TYING TWINE



always have been competitors and have conducted operations along similar lines.

Operators of dump trucks on construction projects claim there is no way for them to know the exact number of trips each truck made during the past year; or is it fair to apply the "load factor" to this type of operation, which depends largely on the type of project to which the truck is assigned.

So many blanks were returned without sufficient information for computation of load factor that ODT has set up a special formula enabling an "informed guess" as to mileage by using a table of average load factors for certain type operations in certain industries. Because of these "informed guesses" and average load factors, ODT men anticipated in advance that appeals might run well over 50% of the applications.

## Simpler War

Variety of arms is being cut—for instance, tanks. But it means trouble in the ordnance plants.

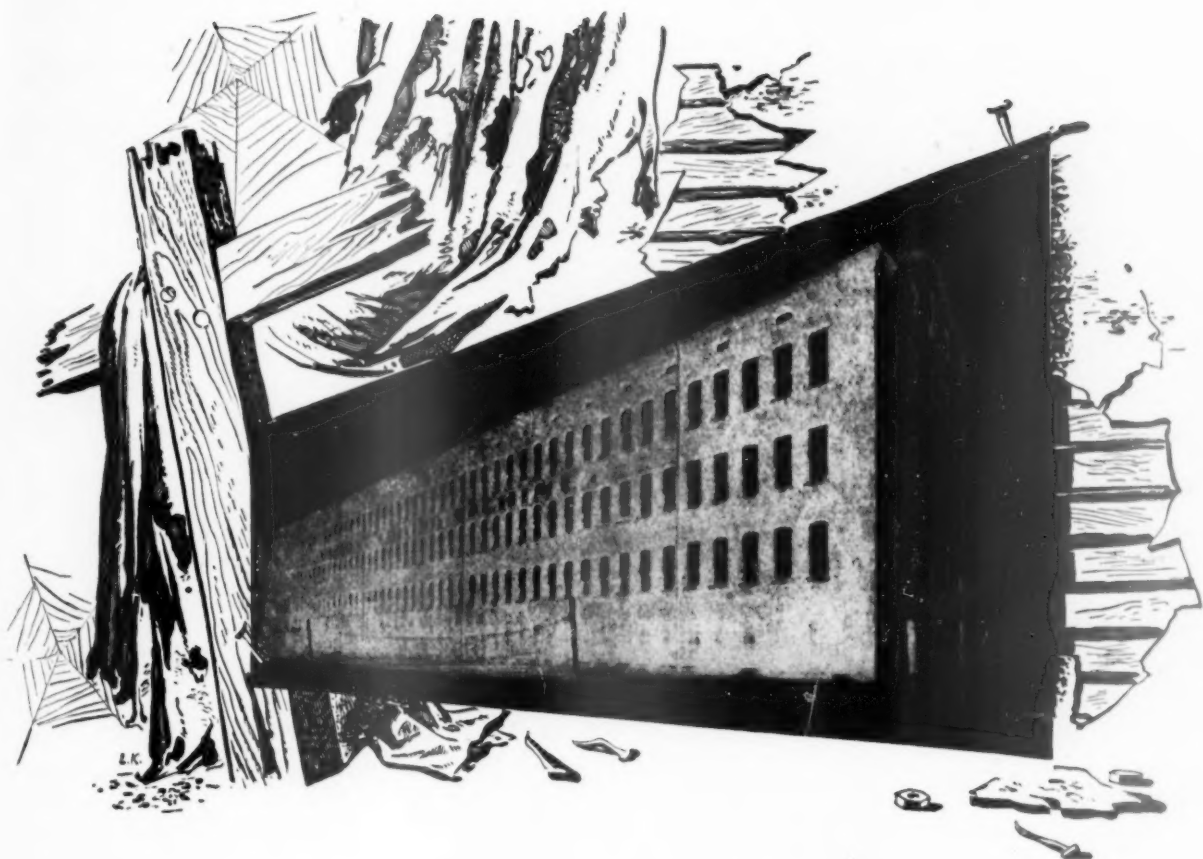
Simplification of ordnance requirements has always been a prime concern of officials charged with stocking matériel requirements and delivering them to the front lines. Too large a variety of products utilized for similar end-uses means complications in supply, complications in knowledge of handling and use.

● **Cutting Way Down**—Tanks have been the prize example. With this problem well on the way toward solution (BW—Dec. 19'42, p14), the Ordnance Tank-Automotive Center in Detroit now is on the trail of more simplifications:

Its 14 tactical motor trucks, 8 types of generators, 11 kinds of starting motors, and 11 batteries will be reduced to a maximum of 4 each. Two or three distributors will replace the present eight. Spark coils may be cut from 6, to 2. Starting gears will be halved—from 10 types to 5—as will 10 different air cleaners, 12 different clutches.

● **Manufacturers Cooperate**—Mechanical data on all vehicles is being studied to determine where simplification can be accomplished—interchangeability of parts, elimination of duplications and variations in basic types, sizes and components. Finally, manufacturers will be called in to cooperate with their engineering know-how.

Such a program can speed production, cut tooling and machine requirements, save some materials, and simplify maintenance. But for many ordnance equipment manufacturers, it may be bad news. Even if they obtain a share of the standardized production, there will be time lost in changing over.



## THE CASE OF THE HAUNTED FACTORY!

Not by the shades of people is this bemused old bastille haunted. Built a century ago — looming rather small now, in the midst of acres of modern plants — it claims the oddest assortment of industrial ghosts that ever haunted a hall.

The building is in New England, and its "ghosts" are the things that have been made within its walls — things that span the entire history of manufacturing.

It is haunted by the first machine tools that were made there, when men still believed in witchcraft. Then muskets, rifles, and machine parts, in the pre-gaslight era . . . The shades of old high-wheeled bicycles, of the pantaloons period, pedal down its halls, and antique sewing machines were built there when hoop skirts were in vogue. Then came strange cylinders and valves — and terrible sounds — and one day the incredible horseless carriage rolled through its barnlike doors!

Finished? Done? Far otherwise. Today, 2,000-horsepower airplane engine parts are made in this proud old

plant with its memories of muskets, its century of ceaseless change.

\*\*\*

The products of this fabulous factory are far more revealing than words in telling of one of America's oldest machine tool companies, for here is a curious fact:

Machine tools built by the early founders of Jones & Lamson were the first things to be made there . . . and machine tools built by successive Jones & Lamson generations have helped to keep that plant steadily producing through its century of manufacturing progress.

And that is the story, too, of many of America's most famous plants. For Jones & Lamson has literally grown up with America's industries. Today, such a background of inherited knowledge and facilities is important. It means that Jones & Lamson engineers and service men are uniquely qualified to serve any phase of industry . . . right now, and during the difficult period of post-war readjustment.

### JONES & LAMSON

MACHINE COMPANY

Springfield, Vermont, U. S. A.

Manufacturers of Ram & Saddle Type Universal Turret Lathes . . . Fay Automatic Lathes . . . Automatic Thread Grinding Machines . . . Comparators . . . Automatic Opening Threading Dies and Chasers

**Profit-Producing Machine Tools**





**WISH I HAD A**  
*Thermador*  
**AT HOME, TOO!**



*Heats in Winter  
Cools in Summer*

For many years, Thermador Fan Type Portable Electric Heaters have been providing comfort, convenience, and economy for American homes and plants.

Now they are essential in speeding up war production by improving industrial working conditions. Clean, compact, and safe, Thermador double-purpose units furnish warm air in winter—circulate cool air in summer. Flameless, fumeless. Thermador Heaters are available on priority orders in portable or built-in types for use on 115-volt A. C. service, 1650 watts capacity, or 230-volt A. C. in capacities up to 5000 watts.

Write today for  
Catalog B-12-2



**THERMADOR**  
*Electric Appliances*

THERMADOR ELECTRICAL MFG. CO.  
4119 So. Riverside Drive, Los Angeles  
*Seven Leagues Ahead*

# MARKETING

## White Sales—1943

Retailers stick to the tradition but have to adapt themselves to the times and to the call of the harems.

This month, department store tradition came to grips with the law of supply and demand—and tradition won out. That time-honored merchandising event—the January White Sale—remained on the retailers' calendar even though the sheets he ordered for December delivery will be delayed until March if not longer.

• **War Comes First**—His orders will remain on the hook until mills fill military needs, especially for the Medical Corps. The military will take an estimated 50%, and essential civilian and lend-lease demands another 30% to 35% of 1943 production even if it is up to last year's record.

In 1942, America's cotton textile mills consumed 11,000,000 bales of cotton, wove and distributed more than 12,000,000,000 yards of cloth—almost twice the production of a relatively normal year like 1938. Such a peak can be maintained this year, say industry leaders, only if mills can hang on to labor supplies and obtain parts to keep machinery operating at maximum efficiency.

• **Bribery in the Harem**—The African campaign (BW—Nov. 14 '42, p15) was an additional drain on textile suppliers who were unprepared to fill civilian needs in the lands freed from Axis domination. Manufacturers were surprised to learn that native Moors of French Morocco and Algeria were being won over to the Allies with sheets, a serious item in these countries where the veiling of women still survives.

The National Cotton Council, assuming stores wouldn't want to cut rate their shelves bare, placed advertising in women's magazines promoting morale value of crisp, clean white goods.

Retailers, shortages notwithstanding, came through for Mrs. Consumer and conducted annual white sales on a substantial basis. They actually cut prices and plugged the merchandise on hand—double widths that the Army couldn't use, and seconds which the Office of Price Administration requires them to label as such (BW—Feb. 14 '42, p31).

• **Adapted to 1943**—Copy for Gimbel Bros., New York, reads frankly:

Any white sale this January is amazing, but trust thrifty old price-chopping, penny-pinching Gimbel's to stage a flabbergasting sale with sheet prices down to 1941. Of

course they're seconds—but what of it? . . . You know as well as we do that they'll wear as well as firsts. You know, what's more, that extra wide sheets tuck in to stay . . . When these sheets are gone, they're gone!

Another store, which has always emphasized linen goods, is staging the annual sale but rationing sheets and pillow cases—six to a customer. Others advertise January values but urge customers to buy only what they need.

In Detroit, J. L. Hudson Co., the country's third largest department store, is not having January white sales as such, but a series of promotions throughout the month featuring goods such as curtains, tablecloths, and blankets, which are most readily available.

• **Volume Wanted**—There is more behind this year's white sales, actually, than the retailers' desire to keep the January tradition alive for the days of



## PLASTIC DOES IT

Utah's new sales tax tokens of molded Tenite (Tennessee Eastman Corp. product) conserve needed metal, while Monsanto Chemical Co. engineers solve a critical supply problem for a New England hand truck maker with a new plastic wheel tread. The tokens, colored to denote various denominations, have withstood severe abrasive tests, while the treads are reported to have worn out steel test equipment before showing definite signs of wear.





International is proud to report that it is now producing magnesium, the light metal that is giving victorious speed and stamina to America's fighting planes. Gleaming ingots of magnesium are now pouring out in a swiftly swelling flood from the huge plant International has built and is operating for the Government. International's Magnesium now enters the fight along with the phosphate, potash, fertilizers and chemicals which International is producing—all as essential for war as they are indis-

pensable to industry and agriculture in times of peace.

#### **MAGNESIUM FROM POTASH ORE**

At its potash mine in New Mexico, International is producing langbeinite (a potassium magnesium sulphate) and muriate of potash (potassium chloride). In processing these potash ores, International obtains large amounts of magnesium chloride, one of the essential raw materials required for making magnesium metal. *International Minerals & Chemical Corporation, General Offices: 20 North Wacker Drive, Chicago.*

## *International* **MINERALS AND CHEMICALS**

Mining and Manufacturing

**PHOSPHATE • POTASH • FERTILIZER • CHEMICALS**

Business Week • January 9, 1943

35



## A Fighting Heart Gets the "Go"

This might be the hand of a war worker in Wichita, a maintenance man at Midway, or a seaman aboard a battleship. He's "feeding the juice" to a famous fighting heart of a thousand uses... a Robbins & Myers electric motor.

★ This great range of service is due to the very remarkable records that R & M motors have rolled up in the past half-century. They've acquired a reputation with designing and production engineers everywhere for never-say-die performance and truly trouble-free operation. The natural result is that they're specified for "special" applications of every type—those *extra-tough* jobs that call for the *best* motors to be had.

★ If you have a war-production problem involving "special" motor jobs, pumping, materials-handling, ventilating, or converting machines to direct drive—write us! We're always ready to help. The address: Robbins & Myers, Inc., Springfield, Ohio. In Canada: Robbins & Myers Co. of Canada, Ltd., Brantford, Ont.

**ROBBINS & MYERS, INC.**  
FOUNDED 1878  
MOTORS • HOISTS • CRANES • MACHINE DRIVES • FANS • MOYNO PUMPS

postwar plenty. For one thing, they'll be glad to get rid of any excess stocks before inventory control (BW—Jan. 2, '42, p5) becomes effective; for another, white goods are really the backbone of January business for many stores. Most retailers can't depend on such standbys as furs, underwear, coats, and rugs to build up volume figures equal to record sales for the first month of last year—and most of them are out to meet volume figures, regardless of future consequences.

## Contrary Fruit

Orange trees, apparently tired after record output, put marketers in hole. New price orders may help a bit.

Mrs. Housewife is having considerable trouble getting oranges for Junior's juice, but she isn't the only one affected by the current scarcity of the golden fruit. Last week, California Fruit Growers Exchange (Sunkist) made some quick shifts in advertising, cut its Columbia Broadcasting System radio time from three quarter-hour shows a week to one. Sunkist probably will pipe down somewhat on its colorful appeals to the public to consume more oranges and will push lemons of which California and Arizona will produce about 50% more this season than last.

• **Competitive Fruits**—California orange growers generally welcomed the Office of Price Administration price ceilings (Regulation 280) on citrus fruits, effective Dec. 31, setting retail prices at "the highest price the retailer sold at between Sept. 28, 1942, and Oct. 2, 1942." That's because they were worried that mounting prices might make customers switch to cheaper and more available fruits. That order now is supplemented by Regulation 292, effective Jan. 11, which sets prices for packers, brokers, auction markets, terminal sellers, and intermediate sellers so as to increase prices moderately above a year ago. A new retail order, due soon, will make little change in consumer prices.

California's winter navel orange crop, now moving to market after ripening about two weeks late, is almost 21% below last winter's level. Total 1943 production of oranges, however, including valencias, will only be 8% less than last year.

• **Trees Uncooperative**—There's no explanation for the short crop this year except the vagaries of orange trees that, after two or three record years, fail to produce for one season and for no predictable reason. This year, too, packers are experiencing an acute labor shortage, so marketing of the crop will be delayed all along the line.



## SALVAGE BOX SCORE

Stretched toe to top, the silk and nylon hosiery collected in the first month of the salvage program would reach from New York to San Francisco. Defense Supplies Corp. has gathered up 85,000 lb. of the discarded hosiery and has bills of lading for another 55,000 lb. Raw material for about 100,000 average size powder bags, the stockings glorified some 2,800,000 feminine limbs before they got into the war.

Although collection of waste kitchen fats increases month by month, WPB reports it is still far short of the goal (16,667,000 lb. a month). Collections: August, 3,016,338 lb.; September, 3,812,728 lb.; October, 4,784,498 lb.

Purchase of idle tires from motorists was within hailing distance of 10,000,000 the last time OPA took a sounding.

## Fliers Revised

**Mail order houses notch in their belts as Sears shuts four stores and joins Ward in a catalog surprise.**

Hard on the heels of its midwinter catalog, offering the usual 10% to 15% price reductions, Sears, Roebuck & Co. snapped padlocks on four of its smaller retail stores because of wartime restrictions on hard goods. The sequence showed no incongruity, however, the closings merely confirming what the flier had foretold.

• **Soft Goods Plugged**—For even before the shutdowns at Columbus, Marietta, and Dover, Ohio, and at Marquette, Mich., the pint-sized seasonal catalog had pointed the way with conspicuous absences of favorite bargains in radios and other durable pieces. All of the closed stores had specialized in goods that are out of production or heavily restricted.

After passing up its midwinter sale last year, Montgomery Ward rejoined its main competitor in bidding for seasonal mail orders this time. Both swung their promoting power to such soft lines as shoes, clothing, towelings, bedspreads, blankets, clothing, and rugs.

• **Kitchen Ware Shifted**—Sears offers a shortened variety of farm implements, while Ward is reserving its limited machinery stock to its 200 stores that deal exclusively in such equipment. Both shifted emphasis from aluminum cooking utensils to glass and enameled ware. A prime Sears kitchen-ware bargain is

# Do you want something-Quick?



CHARLES C. DOYLE  
President

Do you have war orders on which you could use some outside production, and on which you need action *fast*? Then we'd like to hear from you. We're geared up to swing right into the job without delay, and this is the reason:

We have a Smaller Business War Production Pool—Vertical Pool, the WPB calls it—consisting of a large number of factories and small shops representing a great variety as well as a great quantity of production capacity. Our pool has been in operation for more than a year and has furnished parts for aircraft, tanks, gun sights, landing gear and various subassemblies.

Our facilities are extremely flexible and the ingenuity of our men in adapting them to the requirements of the job to be done would amaze you. In most cases, the owners are highly skilled mechanics or toolmakers who operate machines themselves in addition to supervising other workers. Our experienced production and engineering staff works closely with the individual shops in a technical and supervisory capacity, and we do the "paper work" which they are not set up to do themselves. Where necessary, we provide tools, jigs and fixtures. We handle inspections and deliveries, and guarantee performance.

**Speed** is the keynote of our operation. We have the machines and the men ready to start turning the job out—immediately! And at the right price.

We'll gladly furnish references—our customers include a number of important prime contractors.

Phone, wire or write today.


*Charles C. Doyle*

VICTORY POOL No. 1 OPERATING THROUGH  
**THE J. E. DOYLE COMPANY**  
INCORPORATED 1921

Engineers and Manufacturers of Infrared Ray Dryers  
1220 WEST SIXTH STREET, CLEVELAND, OHIO

Pool Facilities Include: Machining, Metal Fabrication, Welding and Brazing, Plating, Aluminum and Bronze Castings, Precision Instruments, Electrical Heating Elements, Complete Assemblies

**BUSINESS NEED NOT  
"FLY BLIND"**



Doubt about the accuracy of Fixed Assets Records is cleared through our Service.

**The AMERICAN APPRAISAL Company**  
CONSULTANTS IN PROPERTY ECONOMICS

**Saves { TIME  
MONEY  
LABOR**

**AS MUCH AS  
40%**



**DIEBOLD**  
*Cardineer*  
**ROTARY FILE**

THE DIEBOLD SAFE & LOCK CO., CANTON, OHIO  
Offices in Principal Cities

a glass vacuum coffee maker, which is reduced from \$2.59 to \$2.19.

Sears's book contains 180 pages, compared with 160 last year, reason being the increased space devoted to display of lines being plugged. Comparative prices, showing savings over regular catalog prices, also gets extraordinary space. Over all is the conspicuous warning that the sale ends Feb. 28.

• **Catalog Surprises**—Both houses offer their usual bargains in a surprisingly large range of furniture and other goods that are disappearing rapidly. Rather than proving false shortages in such lines, seasonal cataloging may merely reflect a chance to dump tag-end inventories or the fact that stocks are too short for regular listings. Ward ran into the unhappy irony of being unable to offer bed sheeting for the traditional January "white sale" because the Army and Navy had commandeered output of mills supplying that house.

## Milk War in Court

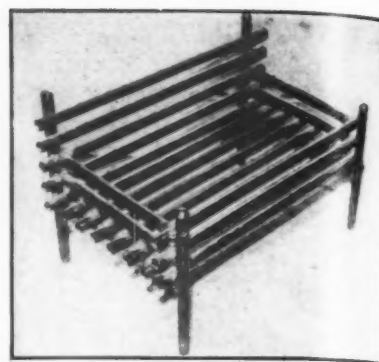
"Bad boy" of Detroit's milk business, stripped of licenses, seeks a permanent injunction against state.

Johnson Milk Co., storm center of the dairy industry in Detroit, is conducting business by injunction while the courts study Michigan's right to revoke the company's dairy and wagon licenses.

• **Competitors Aloof**—Victorious in previous clashes (BW—Nov. 14 '42, p. 78), George A. Johnson is fighting for the very life of the independent enterprise that bedevils the major milk distributors by underselling them 3¢ to 5¢ a quart. This time his competitors are aloof as Johnson squares off in court with the state, seeking to perpetuate his preliminary injunction.

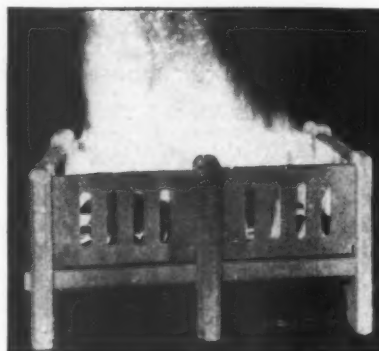
Agricultural Commissioner Leo V. Card revoked the licenses on grounds that Johnson defaulted on thousands of dollars due farmers for raw milk. He produced batches of milk checks returned by banks and charged that at times Johnson would replace one bad check with another. To Johnson's cry of "persecution," and to his plea that the defaults were due to an emergency shortage of dairy products, Card turned an unresponsive ear.

• **Tax Troubles**—The revocation proceedings set the stage for a public review of Johnson's past operations. In 1939, an official of the Michigan Milk Producers' Assn. told the Temporary National Economic Committee that a dairy which Johnson operated in Grand Rapids was slow to pay suppliers. The state sales tax administration has just revealed that it collected a \$20,000 debt from Johnson last fall by draining



## WAR MODEL GRATES

Shivering homeowners flock to buy ceramic and scrap metal fireplace grates offered in lieu of almost-extinct cast iron types. WPB has authorized construction of at least a million ceramic grates, but supplies of the scrap iron type are uncertain. Both grates are comparable in price (\$10-\$11, weight (30-35 lb. for one size), and both burn coal, wood, or charcoal.



\$2,000 a day from his receipts until the account was squared. Also, there is a \$20,595 income-tax lien action against Johnson pending in federal court.

The producers' association declares that Johnson's 9¢-a-quart milk is available only in two-quart bottles and contains less butterfat than the 12¢ product of other dairies.

## BUTTER AT ANY PRICE

While most Detroit stores were rationing butter arbitrarily at ¼ lb. a person, and many others had none to sell, farmers were getting \$1.25 per lb. for it at the two municipal markets around Christmas. Earlier, market and store prices had averaged no more than 50¢.

OPA officials met the resulting storm of protest with announcements that there was no recourse, pointing out that farmers may ask any unit price they choose to the total of \$75 worth of products in any month. Only after this monthly quota is passed, they affirmed, must farmers adhere to scales prevailing during the Sept. 28-Oct. 3 period.



## A bomber lands like a cat . . . thanks to Rayon!



EVER WONDER how those big bombers manage to land as sure-footed as any cat?

Coming in . . . they hit the runway at something over 90 m.p.h. To get an idea of the impact their tires must absorb . . . remember that these behemoths weigh some 20-tons!

Then there's friction-heat to consider. Heat generated inside the walls of those huge tires.

These were just two of the problems that tire manufacturers brought to American Viscose Corporation's laboratories for joint research in developing tire-cords that could take it.

By any laboratory measurements . . . it's a big jump from the Rayon you're so familiar with in sheer lingerie and sport slacks to the Rayon that helps make our bomb-

ers' tires so safe. It meant developing a Rayon fiber with very special characteristics. This new Rayon fiber has high resistance to heat. It is tough. So tough, it can absorb great shocks. In fact, the faster you apply the load, the greater resistance it develops. Translate these facts into a Flying Fortress coming in on a *temporary* landing field at the fighting fronts and you get sure-footed safety for our pilots and crews.

After the war . . . you can depend on this special Rayon fiber to give you longer life, greater mileage, and more protection in the tires for *your* car . . . or perhaps for your own plane.

This is one phase of the vast scope of American Viscose Corporation research . . . dedicated to the creation of new Rayon fibers for people and industry.



## AMERICAN VISCOSSE CORPORATION

Producers of CROWN® Rayon Yarns and Staple Fibers

Sales Offices: 350 Fifth Avenue, New York City; Providence, R. I.; Charlotte, N. C.; Philadelphia, Pa.

★ BUY UNITED STATES WAR BONDS AND STAMPS ★

Reg. U. S. Pat. Off.

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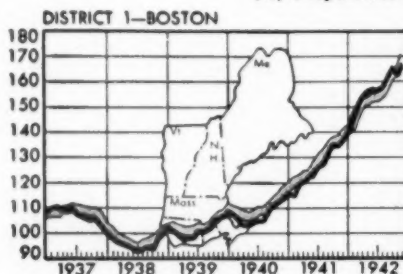
# THE REGIONAL MARKET OUTLOOK

A summary of trends affecting income prospects in the 12 Federal Reserve districts, together with Business Week Regional Income Indexes for most recent month, last month, and a year ago. (Last month's report: BW—Dec. 5 '42, p. 78.)

(Key to Regional Income Indexes, 1935-37 = 100)

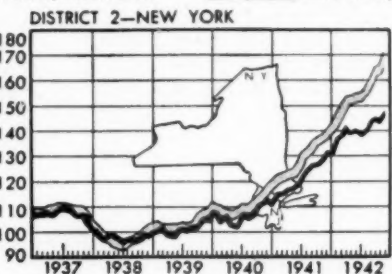
United States

District



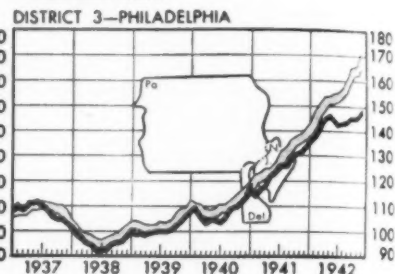
● **Boston**—Shifts within the pattern of New England industrial activity continue, but in the net, income still moves fairly closely with the nation's. Further declines in hardware, silverware, and other civilian hard goods output, as well as the more general dropoff in district construction work, have eased employment conditions in Connecticut towns—Meriden, Middletown, Torrington, and New Haven. But, growing job rolls at such towns as shipbuilding Hingham, Mass., together with the usual drain to the military and to distant war centers, are tightening labor conditions now even in such eastern consumer-goods cities as Brockton and Fall River.

Outside Maine—booming industrially as well as agriculturally—farm income here has not gained as much as the nation's. This emphasizes Vermont's and New Hampshire's below-average income position. Massachusetts is still on the upbeat.



● **New York**—District prospects have improved slightly in recent months. New York City's apparel trades may hold up as war contracts and civilian wool allocations increase somewhat. Much dislocation in other lines—finance, construction, trade—has already run its course, and meanwhile limited war lines still are hiring. Around the metropolis, Long Island aircraft towns are gaining, even if Bridgeport, Conn., expansion is approaching saturation. Populous, closely bunched cities in northern New Jersey look to more ship, plane, engine, and other war work. There, income on the average has kept closer pace with the nation's index than with the district's.

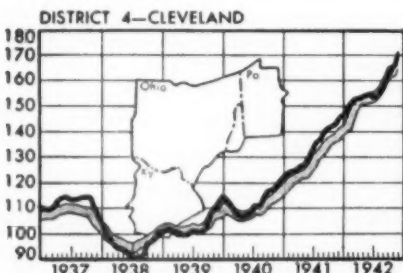
In upstate New York, arms work accelerates, particularly in the Buffalo, Utica, and Schenectady areas; Syracuse, Rochester, Binghamton are running close to year-ago levels. And last year, farm receipts almost equaled the national 1942-over-1941 gain.



● **Philadelphia**—War's impact on soft goods like clothing, textiles, and leather, and even on such durable goods lines as stone, glass, stoves, jewelry, etc., continues to depress factory employment below last year's in Altoona and Johnstown, Scranton and Pottsville, Reading and Lebanon, and even in York and Harrisburg. Payrolls, of course, are nonetheless up, but relative income gains lag.

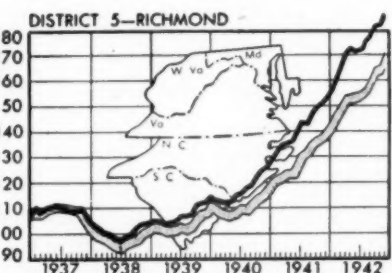
In the Philadelphia industrial area, on the other hand, arms concentration still booms payrolls 50% over last year's. Continued gains in aircraft and shipbuilding work can be expected, unless growing labor shortages interfere. The above-average Allentown-Bethlehem area will be further spurred by big new naval plane contracts.

Delaware farmers in 1942 reaped almost double 1941 receipts, but Pennsylvania and southern New Jersey agriculturists fell short even of the national 35% yearly increase.



● **Cleveland**—Broadly, the industrial construction wave in this region is dying down. There are still considerable expansions under way—as in steel, aluminum, synthetic rubber, etc., in western Pennsylvania and eastern Ohio, and in other lines elsewhere, especially around this city. But few new projects are being started, and older ones are approaching completion. The need yet to staff these works presents the big labor problem, but the pattern of war impact upon district industry has been fixed.

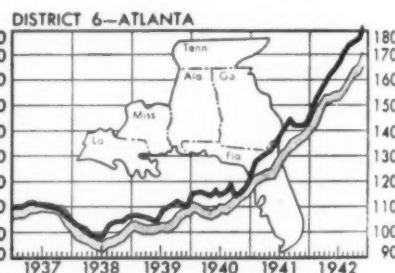
Consequently, the slow recovery of income potentials here relative to the nation's will continue, with the biggest gains to come as before in northeastern Ohio, and the smallest in southeastern Ohio and eastern Kentucky, with industrial areas around Cincinnati and Pittsburgh, and farming sections generally, falling around average. At least in 1942, farm receipts kept pace with the nation's.



● **Richmond**—Construction—huge gains in which played a big part in this region's income gains ever since national defense began—is now beginning to flatten out if not to taper. Contracts in recent months have run no bigger than year-ago totals. This reflects the prospective stabilization soon (1) of war industry in the northeastern part of the district and (2) of military personnel to the south.

Current income, of course, continues to rise. On top of the advances in industrial and military payrolls, farm receipts in the Carolinas have outstripped the nation's in recent months, and those in the rest of the district have held their own.

Latest Census Bureau data show that civilian population in Maryland, Virginia, and especially in the District of Columbia rose 425,000 by May, 1942 from 5,010,000 in April, 1940—a gain of 8%, the sharpest such increase in the nation.



● **Atlanta**—Income continues to gain strongly in this region, founded on 1942's better-than-average farm returns, new peaks in construction, and the influx of soldiers. Industrial advances have been more limited, but another 1943 arms plant has been announced for Birmingham. Payrolls in that city, Atlanta, and New Orleans should continue to advance in the next few months. Textile, lumber, steel, and other "regular" activity will remain high, and shipbuilding at coastal towns and munitions work inland are still accelerating. So the coming drop in construction will not drop district indexes but rather tend to flatten them.

Civilian population in this region has not gained extraordinarily, as has the military. But, the previous trend towards urbanization has been markedly accelerated by the war. Of the 25 cities in the nation leading 1940-1942 population gains, ten are in this Federal Reserve area.

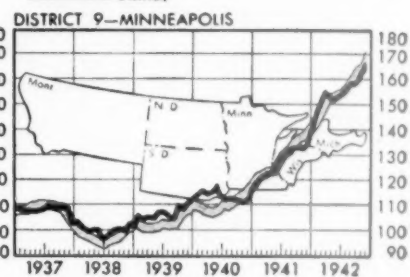
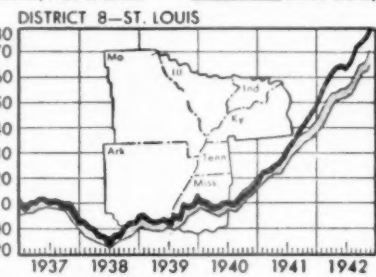
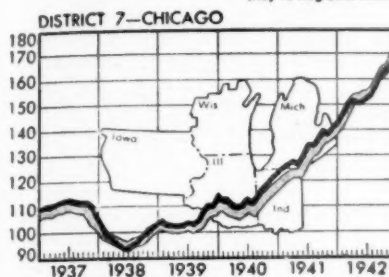
# Regional Income Indexes (November Figure Preliminary; October, Revised)

District	November	October	November, 1941	District	November	October	November, 1941
United States	170.4	166.9	141.2	United States	170.4	166.9	141.2
District 1—Boston	167.4	165.0	136.8	District 7—Chicago	167.4	164.4	141.9
District 2—New York	147.9	145.0	132.0	District 8—St. Louis	180.0	177.6	146.9
District 3—Philadelphia	149.3	146.1	134.1	District 9—Minneapolis	167.3	162.6	134.8
District 4—Cleveland	170.4	166.5	145.9	District 10—Kansas City	177.7	172.6	128.1
District 5—Richmond	186.2	182.7	153.6	District 11—Dallas	194.8	190.4	150.4
District 6—Atlanta	181.5	176.7	144.0	District 12—San Francisco	201.0	195.9	153.2

(Key to Regional Income Indexes, 1935-37 = 100.)

United States

District



• **Chicago**—Recent cuts in ordinance schedules are having slight effect on payrolls here, and aircraft work is accelerating. Detroit, Milwaukee, and Indianapolis still rank high, even vis-a-vis the nation; the Chicago area, for all its soaring arms work, has such huge stable steel, consumer-goods, and white collar lines that sales gains still lag. Other good market spots are Madison and Manitowoc, Wis., Springfield and Kankakee, Ill., Des Moines and Burlington, Ia., Flint, Jackson, and Lansing, Mich., Ft. Wayne and Terre Haute, Ind. But matching these are several laggard towns now—Davenport, Ia., Grand Rapids, Mich., Janesville, Wis., Joliet, Ill., Hammond, Ind.

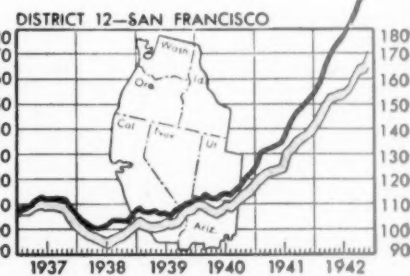
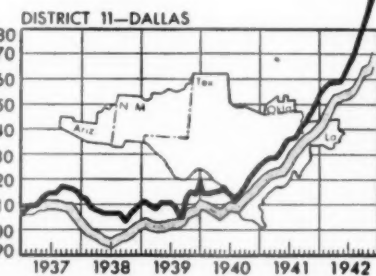
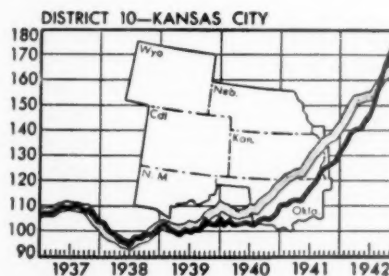
Farm income gains in 1942—mostly from beef, milk, pork, eggs, etc.—were above average in all states except Michigan. Prices may tend to stabilize, but production continues to mount, and 1943 farm prospects here are better than most.

• **St. Louis**—District prospects have turned somewhat brighter in the past month despite cancellation of two ordinance projects in the St. Louis area. Evansville, Ind., payrolls by now have definitely rebounded from conversion dislocations; Kentucky's burley crop, though light, is bringing higher prices than expected; construction awards jumped in the last months of 1942, promising additional industrial expansion, as in synthetic rubber at El Dorado, Ark., and Louisville, Ky.

Increased production and prices for southern cotton and northern livestock products resulted in better-than-average gains in 1942 farm receipts. But prices will probably remain stabilized, and production will be difficult to lift, particularly in the south, but even to some extent in the dairying and hog-raising north. So, industrial areas and Arkansas arms towns are apt to lead income gains from now on.

• **Twin Cities**—Again this winter, the region's economy resists customary seasonal forces, and indexes spurt temporarily. Iron miners are preparing for a new record season, lumberjacks and shipbuilders are squeezing in extra days' work, farmers are managing better prices or better shipments than usual for wheat, milk, hogs, etc.

But again this time, year-ahead prospects seem less promising because of the lack of war work in this dominantly farming area. District indexes until now have been buoyed by farm gains. Receipts in 1942 were above average in central Wisconsin, Minnesota, North Dakota, slightly below in South Dakota, and far behind only in Montana. Hereafter, prices may be held steady, and output may suffer from lack of labor. The district lost over 5% of its civilian population from April, 1940, to May, 1942, especially from farms, as the 8% loss for the Dakotas indicates.



• **Kansas City**—Though construction of new plants is nearing its peak, new awards—for alcohol facilities here and at Omaha—continue. Arms payrolls therefore will continue to soar for months. Sharpest gains are in the eastern half of Kansas, northeast Oklahoma and southeast Nebraska, and around Denver.

Farm income, too, is up better than average, especially in Nebraska, Colorado, and Oklahoma; Wyoming and northern New Mexico trail, and Kansas is slightly behind. Western ranchers have not done too well, and wheat prices have not soared along with those for hogs and other livestock and dairy commodities. But, the concentration here on those products assures higher total receipts in 1943. However, in the relatively "slow" period of April, 1940–May, 1942, this area lost 4% of its civilian population, and the recent drain to arms-boomed cities has accentuated farm labor stringencies.

• **Dallas**—Construction awards, which last October hit a rate 15 times the 1935-37 average, are now beginning to toboggan. Though military or industrial payrolls will replace construction, the drop in 1943 will remove a powerful income stimulus. Building has been mostly in the east of the region, with the bulk of new plants—as for gasoline or rubber—along the Gulf Coast. Hence recent huge employment gains have been at Beaumont and Galveston, with sharp ones at Austin and Ft. Worth.

Farm income in 1942 gained little more than the nation's as a result of nearly a 20% jump in cotton picks and 35% in livestock marketings, but in 1943, as the industrial boom tapers, regional income will depend more on farm advances; and if prices remain ceilinged, agricultural output will be all-determining. Hence the importance to later prospects here of (1) weather and (2) intensifying labor shortages.

• **San Francisco**—Inland states in this region are feeling the industrial boom strongly. Nonagricultural employment in late 1942, for instance, ran 25% to 30% above the preceding year in Idaho, Utah, Nevada, and Arizona as against gains of 20% for Washington and Oregon, 13% for California, and but 7% for the nation. But farm income lagged somewhat in the inland states, except Idaho, as against better-than-average increases on the Coast.

Utilization of labor resources, however, is approaching its limits, and peak employment may be reached before long. Indeed, despite increased plantings now of such winter vegetables as carrots, agriculture may be limited soon by labor shortage. Upward impetus to income in this district now is so strong that further better-than-average advances may be expected, especially in shipbuilding centers; but a tendency to flatten must be figured on for 1943.

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## WAR BUSINESS CHECKLIST

A digest of new federal rules and regulations affecting priorities and allocations, price control, and transportation.

### Priorities on Rush Orders

Manufacturers who are forced to place occasional rush orders by telegraph or telephone have been running into delays in attempting to comply with WPB regulations requiring that preference rating certificates accompany all orders for restricted commodities and materials. In order to expedite such orders, WPB has amended Priorities Regulation 3. A statement in the body of a telegram that "Ratings indicated are certified pursuant to Priorities Regulation No. 3" will be sufficient, provided that a copy of the telegram retained by the sender is signed or authorized in the proper manner.

In the case of a telephoned order, an oral statement similar to the above will suffice, provided written confirmation in correct form is furnished the supplier within seven days.

### Paper

Paper consumption of magazine publishers is limited in each quarter of 1943 to 90% of 1942's average quarterly use. Quotas for any quarter may be exceeded by a maximum of 15% to be deducted from future periods, and in addition, less-than-quota consumption of preceding periods may be used up at any time. (Order L-244.)

Newspapers' consumption of newsprint paper is limited in each quarter of 1943 to the amount accounted for by net paid circulation in the corresponding quarter of 1941, plus a 3% spoilage allowance. Since net paid circulation is considerably lower than total press run, an over-all saving of roughly 10% of 1942 consumption will be attained, despite the fact that consumption in the 1941 base year was somewhat higher than in 1942. (Order L-240.)

### Butter and Margarine

WPB, in two actions, seeks to help relieve the increasingly serious butter shortage. About 2,000,000 lb.—a small percentage of the cold storage butter frozen in the hands of holders on Nov. 21 by Order M-267 (BW—Nov. 28 '42, p44)—has been released for civilian consumption. All unsalted butter and all butter grading less than 88 score is released, as are all stocks of less than 5,000 lb. held by one person.

Order M-71, as amended, allows manufacturers of margarine to use 180% of their fats and oils consumption of the base period, as compared with only 110% which they were permitted under the original order.

### Dairy Products

OPA has established dollar-and-cents maximums at all distribution levels except at retail on butter, evaporated milk, bulk powdered skim milk, and processed and unprocessed cheddar cheese. The new maximums replace ceilings representing individual sellers' peak prices between Sept. 28 and

Oct. 2, 1942. For the time being retail prices are still subject to ceilings determined by the old method, but a new order fixing dollar-and-cents ceilings is expected soon. (Regulation 289.)

### Electric Motors

WPB has issued an appeal to owners of idle electric motors of all sizes—from less than 1 hp. all the way up—to make them available for sale or rental to war producers. All manufacturers are also asked to regulate operation of their motors so that maximum use is obtained from them, and so that any motors released by such a program may be offered for sale or rental to war producers.

### Copper

Control over the use of copper has been tightened by WPB in an amended version of Order M-9-c. Use of the metal by the printing and publishing industry is cut to 60% of the base period, as compared with 70% in the old order. Articles not specifically named on the prohibited list may be produced only to fill orders rated AA-4, or higher, unless the materials were acquired after June 30, 1942. Previously this section of the order permitted output to fill orders rated A-1-k, or higher, or if material was acquired after Feb. 28, 1942.

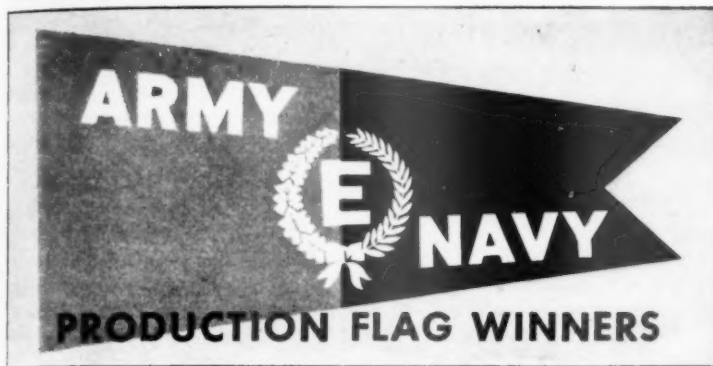
A dozen new items have been added to the prohibited list. For one of these—



### INDUSTRY'S ADVOCATE

That's the WPB title bestowed on James Clay Woodson, former vice president and general manager of Leo Wilson Engineering Co., who has been appointed to examine and simplify WPB questionnaires.





Adams & Westlake Co.  
Elkhart, Ind.  
Advance Plating Co.  
Detroit, Mich.  
Aetna Ball Bearing Mfg. Co.  
Chicago, Ill.  
The Aircraft Fitting Co.  
Cleveland, O.  
American Chain & Cable Co.,  
Inc.  
York, Pa.  
American Cyanamid Co.  
Bound Brook, N. J.  
American Shipbuilding Co.  
Buffalo, N. Y.  
Anaconda Copper Mining Co.  
(Two plants)  
Anthony Co., Inc.  
Streator, Ill.  
Guy F. Atkinson Co.  
San Pedro, Calif.  
Austin Co.  
Seattle, Wash.  
Babcock & Wilcox Co.  
Augusta, Ga.  
W. S. Bellows  
Corpus Christi, Tex.  
Bethlehem Steel Co.  
Terminal Island, Calif.  
B G Corp.  
New York, N. Y.  
Brown Shipbuilding Co.  
Houston, Tex.  
Brown & Root  
Corpus Christi, Tex.  
Byrne Organization  
Solomons, Md.  
Canister Co.  
Phillipsburg, N. J.  
Cinaudagraph Corp.  
Stamford, Conn.  
Cleveland Automatic Machine  
Co.  
Cleveland, O.  
Cocheco Woolen Mfg. Co.  
East Rochester, N. H.  
Columbia Construction Co.  
Corpus Christi, Tex.  
Continental Rubber Works  
Erie, Pa.  
Crane Co.  
Chicago, Ill.  
Cummins Engine Co.  
Columbus, Ind.

DeJur Amso Corp.  
Shelton, Conn.  
Detroit Broach Co., Inc.  
Detroit, Mich.  
Henry Ericsson Co.  
Great Lakes, Ill.  
Fairbanks, Morse & Co.  
(Three plants)  
General Electric Co.  
Pittsfield, Mass.  
Gerstein & Cooper Co.  
South Boston, Mass.  
Gonic Mfg. Co.  
Gonic, N. H.  
Granite City Steel Co.  
Granite City, Ill.  
James E. Graves, Inc.  
Marblehead, Mass.  
Gray Marine Motor Co.  
Detroit, Mich.  
Harmon Construction Co.  
Norman, Okla.  
Harrington & Richardson  
Arms Co.  
Worcester, Mass.  
Guy P. Harvey & Son  
Leominster, Mass.  
Horton Mfg. Co.  
Fort Wayne, Ind.  
Hosdreg Co., Inc.  
Huntington, Ind.  
Hubbard & Co.  
Emeryville, Calif.  
Inland Steel Co.  
Indiana Harbor, Ind.  
Kansas City Structural Steel  
Co.  
Kansas City, Kan.  
Keokuk Electro-Metals Co.  
Keokuk, Ia.  
Keystone Trailer & Equip-  
ment Co.  
Kansas City, Mo.  
Koppers Co.  
Baltimore, Md.  
Lebanon Woolen Mills  
Lebanon, Tenn.  
Mack Holding Co.  
Wayne, N. J.  
Marine Iron & Shipbuilding  
Co.  
Duluth, Minn.  
Maryland Drydock Co.  
Baltimore, Md.

John E. Mitchell Co.  
Dallas, Tex.  
Charles Mundt & Sons  
Jersey City, N. J.  
National Munitions Corp.  
Carrboro, N. C.  
Oldbury Electro-Chemical  
Co.  
Niagara Falls, N. Y.  
Panish Controls  
Bridgeport, Conn.  
Pidgeon Thomas Iron Co.  
Memphis, Tenn.  
Pittsburgh Coke & Iron Co.  
Pittsburgh, Pa.  
George Pollock Co.  
San Pedro, Calif.  
Portland Woolen Mills, Inc.  
Portland, Ore.  
Quincy Barge Builders  
Quincy, Ill.  
Ranco, Inc.  
Columbus, O.  
Republic Steel Corp.  
(Four plants)  
Reynolds Spring Co.  
Jackson, Mich.  
Russell Mfg. Co.  
Middletown, Conn.  
Shell Oil Co., Inc.  
Wood River, Ill.  
Standard Brands, Inc.  
Peekskill, N. Y.  
The Stanley Works  
New Britain, Conn.  
Star Iron & Steel Co.  
Tacoma, Wash.  
Stromberg-Carlson Tele-  
phone & Mfg. Co.  
Rochester, N. Y.  
Swift & Co.  
Chicago, Ill.  
Sylvania Industrial Corp.  
Fredericksburg, Va.  
Tankersley Construction Co.  
Norman, Okla.  
Tennessee Coal, Iron &  
Railroad Co.  
(Three plants)  
Thermador Electrical Mfg.  
Co.  
Los Angeles, Calif.  
Henry G. Thompson Co.  
New Haven, Conn.  
Tyson Roller Bearing Corp.  
Massillon, O.



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copper plates for engraved business stationery, greeting cards, and calling cards—WPB has also prohibited use of existing plates.

Copper-clad steel scrap and fired shell cases made of copper, copper-base alloy, and copper clad steel have been brought under full allocation control by Order M-9-b, as amended. An estimated half million pounds of bronze powder and bronze powder products that are unsuitable for any war or essential civilian purpose, but

that are usable for printing, publishing, and decorative purposes, have been released from WPB control by Order M-9-c-3, as amended.

### Industrial Type Instruments

Control over production and deliveries of industrial thermometers, pressure gages, control valves, and certain other specified industrial type instruments has been taken

# SLY

PIONEERS IN *Scientific*  
DUST CONTROL



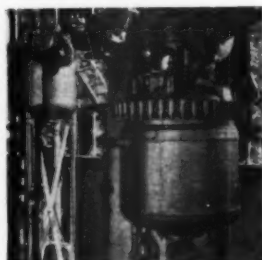
## "You're Next, Mr. Willet"

Poor Mr. Willet! He wishes he were not next. But like many thousands of Americans, some nervous, some stoical, he volunteered as a blood donor. Our hats are off to all the Mr. and Mrs. Willets—theirs is true courage.

Only sterile hands must draw that precious blood. Then it must be handled quickly and carefully. That's where Pfaudler comes in. Pfaudler glass-lined steel equipment prevents contamination while the blood is kept cool, awaiting centrifuging and dehydration. Pfaudler distillation equipment is used for recovering valuable alcohol and the last fraction of plasma. In the laboratories of the Harvard Medical College, Eli Lilly, Squibb, Upjohn, Cutter, Lederle, Armour, and Sharpe & Dohme, glass-lined equipment is used for preparing plasma and blood albumin because of its acid resistance and its sanitation.

That is one way Pfaudler serves for victory. But the inert properties of Pfaudler glass are equally necessary for the maintenance of quality and for profitable production throughout the whole food and chemical processing fields.

If you have a process—in operation or planned—where the high acid resistance of glass-lined steel or the protective properties of stainless steel and other alloy equipment are essential, write for the "Pfaudler Panorama." It gives complete information on our ability to serve you. The Pfaudler Co., Rochester, N. Y.



Typical Pfaudler glass-lined steel distillation assembly used for processing blood plasma albumin.

**P F A U D L E R**  
Chemical and Food Equipment Engineers

over by WPB. Manufacturers are required to file monthly reports showing productive capacity, requested future deliveries, and previous month's output. WPB may issue directions to any manufacturer regarding scheduling of his production and deliveries, but until such directions are issued, he may continue to schedule his own output and deliveries as he has done in the past. (Order L-234.)

### Office Supplies

Restrictions on manufacture of office supplies have been considerably tightened by WPB, resulting in a saving of about 2,300 tons of steel this year. Output of desk pencil sharpeners after Jan. 15 is prohibited, except for assembly of already fabricated parts. Production of metallic file fasteners has been banned; and use of metal in staplers is limited to 8 oz. per unit; and in two- and three-hole perforators, the use of metal is restricted to 8 oz. and 12 oz. respectively. (Order L-73, as amended.)

### Lumber

To assure continued maximum output of lumber in 1943, WPB has assigned a preference rating of AA-2X to maintenance and repair materials and operating supplies for loggers and sawmills. Previously sawmills were permitted to extend ratings up to 10% of the value of their rated orders, while independent loggers who did not own mills were forced to apply to Washington for all such material. Amount of material and supplies to which the new AA-2X rating may be applied in 1943 is limited to 110% of the amount of such material used in 1942, and no more than 40% of this quota may be used in any one quarter. (Order P-138.)

### Glass Container Closures

Schedules for 1943 use of caps and closures for glass containers that are made of tinplate, ternplate, blackplate, or rubber have been issued by WPB. Products affected are beverages, health supplies, chemicals, and household and industrial products. Schedules for closures for food products packed in glass containers will be issued shortly. (Order M-104, as amended.)

### Bedsprings

Dollar-and-cents maximum prices at all levels of distribution have been set by OPA on eight new "war model" wood-framed coil and flat bedsprings. Manufacture of four previous models, on which ceilings were established Sept. 7, has been stopped, since the manufacture of these models required more than the present limit of 15 lb. of steel for each full-sized spring. (Regulation 213.)

### Fish

WPB has directed canners of sardines and mackerel to set aside an additional 20% of their pack between Mar. 1, 1942, and Feb. 28, 1943, for delivery to the armed forces and lend-lease. The original order directed that 60% be delivered to these governmental agencies, 20% be re-

leased for civilian consumption, and 20% retained (BW—Nov. 7 '42, p. 85). The final 20% of the salmon pack, which was also covered by the original order, must still be held pending final determination of governmental requirements. (Order M-86-b, as amended.)

### Gasoline Credit Cards

Issuance by retail gasoline marketers of credit cards or similar sales devices has been banned by the Petroleum Administrator for War, except when use is limited to a single retail outlet. Cards already issued to vehicles carrying "T" stickers may be used until Feb. 1.

### Extension of Orders

Several orders that were scheduled to expire on Dec. 31 have been extended indefinitely by WPB. Among them are M-1-d, aluminum scrap; M-1-g, aluminum paint, etc.; M-38, lead; and P-126, material for emergency servicing of refrigerating and air conditioning equipment.

### Other Priority Actions

Use of metal in the manufacture of plumbing fixtures is further curtailed by an amended version of Schedule XII to Order L-42 . . . . Production or sale of textile and leather machinery and parts without specific WPB authorization is banned by Order L-215 . . . . Standardization and centralized procurement of lighting equipment for airports is provided in Order L-235 . . . . Under Order L-161, as amended, sales of electric fuses after Jan. 21 is permitted only on orders rated A-1-j or higher, instead of A-10, as at present. . . . Order M-39, as amended, permits the use of cobalt in driers, in order to allow the manufacture of certain essential protective coatings. . . . WPB is approving some appeals from Order L-152, which prohibited the manufacture of twin-size baby carriages (BW—Nov. 7 '42, p. 86).

### Other Price Actions

OPA has announced that dealers in retreaded and recapped tires who do not possess their own equipment, and must have their work done outside, may not add resulting transportation charges to established ceiling prices . . . Temporary Regulation 23 establishes ceilings on shelled and salted peanuts and peanut butter. . . . Amendment 81 to Supplementary Regulation 14 of GMPR establishes ceilings on soybean, cottonseed, and peanut oil meals, and oil cakes . . . . A method for pricing new brands or sizes of cigars and regulations for adjusting cigar prices to take into account new taxes is set up in Amendment 3 to Regulation 260 . . . . Revised Regulation 135 establishes new, higher ceilings on mixed fertilizer, superphosphate, and potash . . . . Aviation gasoline with an octane rating of 87 or higher is exempted from price control by Amendment 52 to Revised Schedule '88 . . . . Dollar-and-cents ceilings have been set on sugar cane sirup at all distribution levels (Regulation 291), salmon at the canner level (Amendment 2 to Regulation 265), and used vacuum cleaners at the retail level (Regulation 294).

# We make lungs



## FOR ONE-MAN RAFTS

**T**HERE'S a new story coming out of the Pacific war theatre. We are beginning to read it over and over again. It is a good story, because it's about men's lives being saved . . . lives which would have been lost in World War No. 1.

Harold Dixon told the story first. He and his bomber crew floated for 34 days on a 4' x 8' rubberized, carbon-dioxide-inflated raft. Then Ensign Gay added his version. He clung to his Kidde raft and got a "fish-eye view" of the Midway sea battle. Now we hear of Aviation Machinist Winchell who drifted for 18 days, sharing his raft with his radioman.

These men owe their lives to rubberized fabric and to carbon dioxide gas. We handle the gas part. Walter Kidde & Company makes the carbon dioxide cylinders and valves which turn a bundle of fabric into a buoyant life-raft.

Now the trend points to each man carrying his own raft in a parachute-type pack. A Kidde bottle, holding ¾ lb. of carbon dioxide, inflates the boat. We make the cylinder shatter-proof so it won't fragment, if a bullet hits it.

Thus, carbon dioxide tackles another war assignment. When you check all the



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# THE WAR—AND BUSINESS ABROAD

## No Rest for the Axis

BEW cautions against hope of internal collapse in Italy or Germany, but notes that supply shortages and production losses from bombing add up to a busy winter ahead for the enemy.

There is to be no lull on European war fronts this winter. For the Axis, this means there is to be no opportunity to furlough troops to rest camps and labor-short munitions factories.

The Board of Economic Warfare, in its year-end appraisal of enemy economies, warns against hope of internal collapse in Germany or Italy but holds that further expansion of Axis war production is no longer possible. Bombings of industrial areas, exhaustion of critical materials stocks, shortage of skilled labor, and depreciation of productive and transport equipment contribute to this condition. And continuation of military action, draining of war materials to the Russian, Libyan, and Tunisian fronts, and crippling of armies in winter battles will seriously limit the scope of Germany's war potential in 1943.

### Raw Materials Vital Factor

Not the least important factor in this analysis is the critical decline in German raw material stores. The African campaign has severed one important connection with raw materials outside Axis Europe (BW—Nov. 21 '42, p101). Despite the anomalous political position

of Spain and Portugal, the wealth of these countries is only partly available to Axis economic agents due to the untiring work of British and American operatives purchasing critical materials to prevent their transfer to Germany (BW—Dec. 26 '42, p26).

### Anglo-Turkish Pact Dead

In Turkey, German agents vie with British and American representatives for the economic surpluses that are so badly needed in the German war economy. The critical moment in that contest has arrived. For, on Jan. 8, the Anglo-Turkish trade pact expired. If Germany has fulfilled the economic commitments entered into by Dr. Karl Clodius, archnegotiator of Nazi economic pacts (BW—Oct. 11 '41, p79), 1943 will become a banner year for German-Turkish trade.

During recent months Turkey has been exchanging tobacco, food products, and some copper for German railroad equipment and machinery. To meet the conditions of the Clodius agreement, Germany must also deliver sizable quantities of small arms equipment. To date Berlin has met every



### "V" FOR VISITOR

Winston Churchill's famous derby, raised on cane, and his fingered "V"

salute of cheering workers, symbolize the continuing cordiality between the Prime Minister and factory workers "almost anywhere" in England.



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*"We must look beyond the bloody horizons of the present . . . must look out toward the shadows of the future, which rise up like majestic promises of what may be our reward . . ."*

WENDELL WILLKIE

**M**R. WILLKIE, always the realist, has pointed out that today "we need tanks, not talk." And the tanks are coming . . . the planes and guns and ships, because America is richly blessed with manpower and machine-power.

Bullard machine tools have proved a potent factor in this war of armaments. Their almost instant adaptability to new needs created an unprecedented demand throughout the United Nations. Many thousands of Mult-Au-Matics are at work; many more thousands must follow.

But what of the majestic promises that lie beyond the bloody horizons of which Mr. Willkie so eloquently speaks?

In the task to which we are pledged, these same machines will carry on their swift, steady pace of production. There will be no need to replace them, for their universal adaptability is known throughout the industrial world. Owners of Mult-Au-Matics and Vertical Turret Lathes will be among the first to reap the rewards of peace.

**THE BULLARD COMPANY**  
BRIDGEPORT CONNECTICUT



commitment for machinery, locomotives, and rolling stock but, according to reports, has not delivered military goods.

Fulfillment of the trade agreement by Germany would net her, among other things, 45,000 tons of chrome ore during the first quarter of 1943, with an additional 45,000 tons during the remainder of the year. What's more, the chrome ore is ready and awaiting shipment. Delivery of this amount of ore would, according to economic analysts, more than cover Germany's deficiencies in 1943.

### Turkey's Chrome Watched

Failure to obtain this ore, leaving Germany dependent almost exclusively upon Greek chrome, would seriously limit Axis production of armor plate and would make additional supplies of chrome available to the United Nations. With relations between Turkey and the Soviet Union currently on the upgrade, after a long hiatus, it is not unlikely that resumption of trade between these two nations would permit Soviet imports of Turkish chrome and copper, relieving United Nations' shipping of much long-haul tonnage.

Not only the headlines of battle hold promise of Allied successes during 1943, but also the events transpiring behind the headlines may, in the next weeks or months, deal a serious blow to the Axis economy while at the same time strengthening the potential of the United Nations. No one can be sure how important Turkish raw materials are to the Axis. It is possible that if they are not worth paying for, they may be worth fighting for.

### Strategic Advantage Seen

German invasion of Turkey, permitting seizure of its raw material stocks, would have the additional and nonpurchasable strategic advantage of diverting Allied military pressure from the points at which it is now concentrated. It remains to be seen whether the Axis can still seize the military initiative.

### Ersatz Gasoline

Charcoal-burning unit is replacing gas in Brazil's motor vehicles as a wartime device to keep 'em rolling.

Faced with a gasoline shortage that has hit all of Brazil, aggressive manufacturers in São Paulo—the country's principal industrial center—have developed as a fuel substitute for automobiles a charcoal-burning producer-gas unit.

• **Large - Scale Production** — The unit, known locally as a gasogenio, was getting into large-scale production late in 1942. More than 2,700 cars in São





## more **V**ital than gold

All the gold buried at Fort Knox, Ky., is less important to Victory than the rich iron ore deposits of the Mesabi, Cuyuna and Vermilion Ranges of Northern Minnesota.

The Mesabi range alone contains the world's largest developed deposits, and much of this ore lies in open pits.

From these pits giant shovels scoop the vital "red dust" into Great Northern cars, which dump it a few hours later into docks in Duluth and Superior, at the Head of the Lakes. There ore boats are swiftly loaded for delivery to the nation's steel mills.

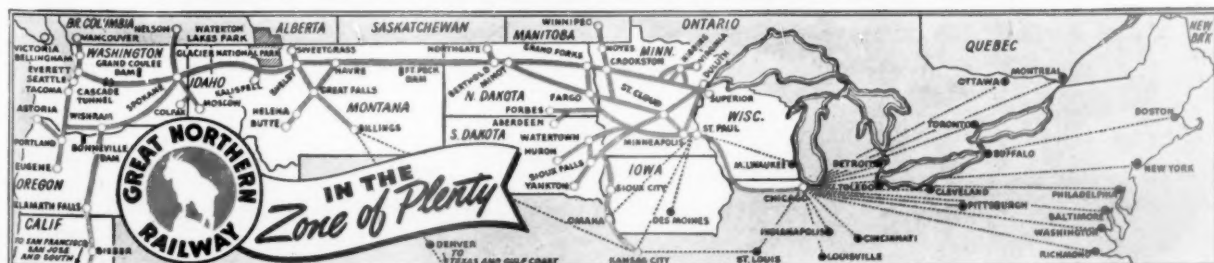
When the shipping season closed December 5, new mining records had been set on the Minnesota ranges, and Great Northern Railway handled nearly 29,000,000 long tons—a *third* of the nation's total production.

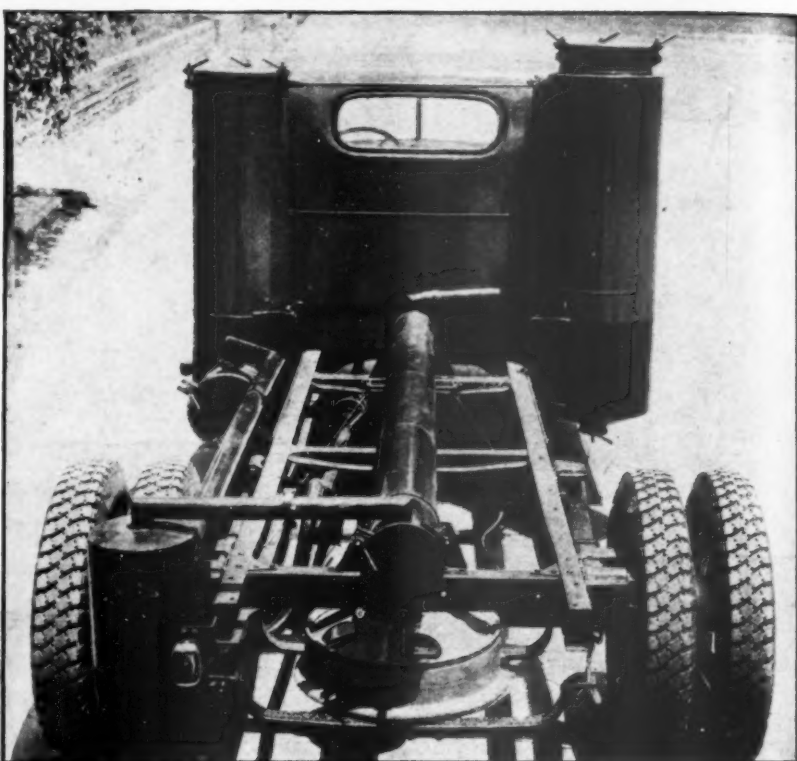
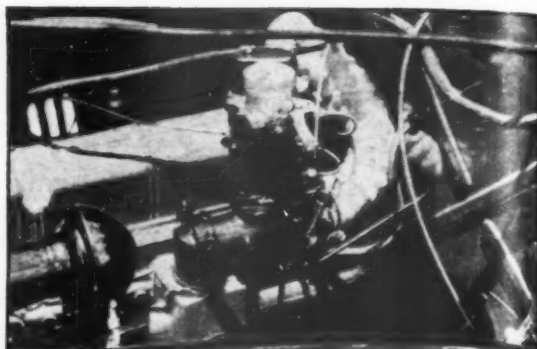
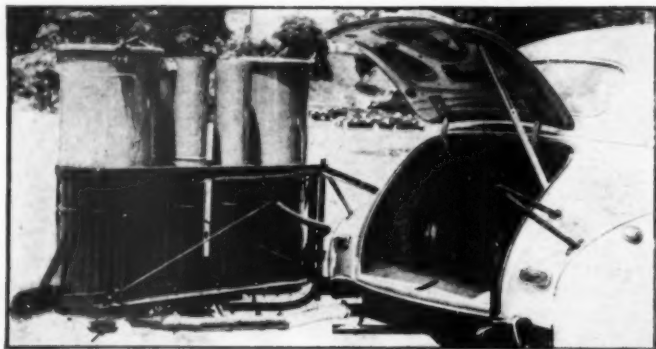
With the necessity of conserving equipment, Great Northern, between shipping seasons, is reconditioning motive power, cars, trackage, and its Allouez docks in Superior, making ready for a still bigger job in 1943.

The fabulous iron ore deposits in Minnesota are only part of the wealth contributed to America by the *Zone of Plenty*—and delivered by this vital artery of transportation.

## GREAT NORTHERN RAILWAY

BETWEEN THE GREAT LAKES AND THE PACIFIC, ROUTE OF THE EMPIRE BUILDER





Gasoline shortage is forcing Brazilians to turn to producer gas made from charcoal. On Chevrolet trucks (lower right), the fuel chambers are mounted on the cab, but on buses (left center), they are carried at the rear. A special

gas mixing chamber under the hood (upper right) feeds an ordinary automobile engine. General Motors gasogenio units on the back of private cars do not interfere with the use of the trunk compartment (upper left).

Other makes of gasogenio outfits (lower left) are mounted on the bumper or streamlined to correspond to body and fender lines. While a makeshift now, gasogenio may have postwar possibilities on the frontier.

Paulo alone are operating on producer gas now, and new installations are being made at the rate of five trucks and almost an equal number of private cars a day.

Though aware that it will be more economical and more convenient to return to gasoline for fuel after the war, Brazilians have enthusiastically accepted producer gas to keep their cars rolling. Lacking any important known reserves of petroleum, and faced with a terrific task before the interior can be opened to cheap transport, Brazil looks on producer gas as a practical fuel for the frontier. As a result, truck and car owners are in-

stalling the new units, confident of their resale value in the interior after the emergency.

● **No War Baby**—The gasogenio industry in Brazil is not exactly a war baby. Fernando Costa, governor of São Paulo, decided some years ago that it would be wise for oilless Brazil to develop gasogenio for isolated farms. He approached both the Ford and General Motors branch plants in São Paulo with his scheme, but neither company was willing at the time to spend much money in experiments.

But by Aug. 5, 1941, with Europe's gasoline demands soaring and subma-

rines sinking tankers, Costa established a state gasogenio commission to develop an economical working model for the conversion of gasoline motors.

● **In Five States**—Four other states now have similar commissions and gasogenio is becoming an established institution in Brazil. The São Paulo commission has 59 technicians and administrators on its staff and has taught 1,200 men to service gasogenios. The commission also produces daily five tons of specially prepared and graded charcoal, which it sells at converted gas stations at 1½¢ a pound. For the 10,000 gasogenios expected to be in operation in São Paulo

in 1943, the commission estimates that it must produce 400 tons of charcoal a day.

More than 80,000 motor vehicles are registered in São Paulo. Of these, 30,000 are trucks. The commission is equipping five trucks a day in the small workshop it controls, and other plants like Ford and General Motors are now in production (G.M. output has topped 250 units a month). By the end of 1943, São Paulo expects to be building gasogenio units at the rate of 5,000 a month if steel can be secured from the United States.

• **Aiming for Price Cut**—The present cost of converting a gasoline engine to gasogenio is \$325 (\$250 for the unit, \$75 for installing it). If all the anticipated economies of mass production are achieved, the commission believes it can slash this over-all cost to \$200.

Automobile operators in São Paulo and Rio de Janeiro regard gasogenio as a necessary evil which they will have to bear until the present emergency is over. Gasogenio conversion cuts the power of a gasoline engine 50%, and of a diesel engine (which is more difficult to adapt) 20%, but they balance this against the vastly cheaper fuel costs.

• **Costs Compared**—Gasoline in Brazil ordinarily sells for about 74¢ a liter (slightly more than a quart). Charcoal sells at 3¢ a kilogram (about 2.2 lb.). A 4-ton truck loaded to capacity uses one kilogram of charcoal per kilometer; a passenger car uses one-fourth that amount.

## CANADA

### Leveling Barriers

Inter-American talks at Washington point to removal of food tariffs between U. S. and Canada.

OTTAWA—Discussions between Canadian and U. S. agricultural and food control officials in Washington this week are expected to have far-reaching results in further obliterating the international border as an impediment to free exchange of farm products.

• **Priming the Pool**—The move is understood here to have been initiated by Washington. One immediate aim is to bring a larger volume of Canadian production into the United Nations pool and, particularly, to equalize distribution of food supplies between Canada and the United States. This is to be accomplished by rationalizing production and distribution on a continental basis, it's believed.

The U. S. will produce for both countries things that can best be produced there—soybeans are an example—and Canada will produce for both countries other things in which it excels—cereal beans among them.

• **Canada's Plight**—If the plan goes through (and Ottawa believes it has the green light), tariff duties and excise taxes on food products to be exchanged will be eliminated as well as any other restrictions on free trans-border movement. It is likely to mean the removal of a number of items from Canada's War Exchange Conservation Act, put through late in 1940, barring import of a long list of U. S. goods and subjecting another list to import permits, sparingly issued. The law was passed to save U. S. exchange for war buying. For agricultural and other food items, production and distribution will be treated as if the two countries were one.

Food control authorities here are uncertain about the effect of the plan on Canada. Supplies are becoming a serious worry, with severe shortages in sight, and the diversion of large quantities of Canada's food output across the border would aggravate the situation unless compensating imports can be made in sufficient volume.

• **No Ration in Sight**—Ottawa is not yet planning to follow Washington into consumer rationing of canned goods and other food items. Control officials figure that the short supply in canned goods would develop adversely under rationing. Their reasoning is that rationing would tempt everyone to buy his limit, whereas average consumption of canned goods normally is very low—two cans per person a month of all canned staples, including soups.

In November, the Wartime Prices and Trade Board froze 25% of all canned stocks in the hands of processors and wholesalers to secure requirements of priority purchases—armed forces, Munitions and Supply Dept., Red Cross, public institutions, and other wartime and government agencies. Meat rationing is considered impracticable.

• **New Mineral Record**—Canadian life insurance companies are intervening in the supply situation with representations to Ottawa protesting against acute shortages of staple foods being allowed to develop to a degree that would endanger life expectancy. This as well as other factors point the way to a tightening-up of the food supply division of price control.

Although Canada's gold output for 1942 was off \$20,000,000 from the 1941 record of \$205,789,000, total mineral production reached a new peak of \$564,200,000. Increases were in copper, nickel, lead, zinc, antimony, bismuth, cadmium, cobalt, chromium, magnesium, iron ore, mercury, radium, and selenium. Silver was down about 1,000,000 oz.

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### TIMBER! TIMBER!

Trees, of which the Army fells myriads, go down fast before a compact 100-lb. portable saw with a power unit resembling an outboard motor because it's made by Wisconsin's Kickhafer

Corp., whose principal prewar output was marine engines. Designed for such Army jobs as building or clearing tank and road traps, the motor revs to 4,000 r.p.m. at 6 hp., is three times as fast as a German model, and was used on the Alcan Highway project.

## Price Argument

Canada feels its lumber and newsprint industries are cramped by ceilings in U. S.; concessions are expected.

Leading items in U. S.-Canada wartime economic integration about to be settled this week were: (1) newsprint prices and production quotas and (2) U. S. prices for Canadian lumber.

● **Seeking Revisions**—Chairman Donald Gordon of Canada's Wartime Prices and Trade Board was in Washington this week pressing the case for an upping of the ceiling from the \$50 level on newsprint. Ottawa's concern for a price boost centers on the supply situation. Because of the labor shortage in Canada and the competition for bushworkers, the output of pulpwood to feed the newsprint mills has been falling and a definite shortage affecting both Canadian and U. S. publishers is feared.

Insiders in Ottawa believed early this week that the price jump would go a little further than the restoration of the \$3 advance proposed by Canadian newsprint companies some months ago but disallowed by U. S.-Canada agreement at the insistence of Washington. Canadian publishers who have been making a common cause with U. S. publish-

ers against the proposed advance are understood to have been persuaded that it was necessary to maintain supply.

● **Production Quotas**—Ottawa is preceding price revision with an over-all plan for redistribution of production among Canadian units of the newsprint industry. Originally framed and proposed by the industry itself, administration of the plan is a responsibility of the industrial division of the Prices Board. Under it, mills will be assigned a fixed percentage of total production, determined by industry committees and the board.

It is not known whether there is to be allocation of production between U. S. and Canada. The Canadian plan features a profit pool to compensate displaced units operating below a fixed level.

● **Lumber Prices**—Aggravating the newsprint output shrinkage in Canada have been a diversion of bushworkers from pulpwood cutting to timber operations for lumber production and also a diversion of pulpwood logs to lumber mills. These diversions were made by Ottawa in a desperate effort to maintain lumber production. Hope of equaling last year's record output is now pretty well shot, but Canada is still trying to meet as much of U. S. requirements as possible.

The volume of Canadian lumber that will cross the border in the next few months will depend to a large extent on Washington's delayed decision on prices. It is believed in Ottawa that

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## Proving ground for the future of electronics

On the battlefields, electronics is meeting its extreme test. Failure here means death to men, defeat to armies. Conversely, experience here means vastly broadened knowledge, improved techniques, and progress so rapid as

to be impossible of description.

The collective brains of Eimac engineers are concentrated full tilt on the new knowledge which is coming out of this holocaust. And are consequently still setting the pace in vacuum tube de-

velopments. The fruits of their efforts are going directly to Uncle Sam and our Allies to play a vital role in the war.

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# Onward to War

## MARCH AMERICA'S POWER SOLDIERS

**Miracle peacetime construction of high-tension steel transmission lines now helps to carry War Loads—to crush War Lords.**

**Working under pressure of time over extremely hazardous terrain, the 1,700 men comprising the Ziebarth organization acquired skills that came into demand for all types of heavy-construction work. Today, at various points in the United States, Ziebarth has under construction nearly a dozen big jobs. In addition to the current gigantic Basic Magnesium electrical installation, this work includes other high-tension transmission lines electrical sub-stations, airport lighting, camouflaging of war industries, personnel shelters, railroad signal installations, telegraph lines, sewage plants, water supply, pumping plants.**

**If you need proven "Get the job done—fast," heavy-contracting work, contact Ziebarth Construction.**

**If You are responsible for the engineering, building or purchasing of heavy construction —by all means write for the new, informative "The Story of Ziebarth Construction"! It's gratis... no obligation.**

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Ziebarth  
CONSTRUCTION**

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# ZIEBARTH

## CONSTRUCTION

FRITZ ZIEBARTH — 809 WEST ESTHER STREET, LONG BEACH, CALIFORNIA.  
VANCOUVER, WASHINGTON; RENO, NEVADA

U. S. price officials have been influenced by Canada's price ceilings, admitted officially to be uneconomic.

• **Concession Expected**—The ceilings, according to lumber interests, did not allow a profit on domestic sales. It is claimed that a U. S. price ceiling extending to imports of Canadian lumber and corresponding to the Canadian ceilings would seriously depress bush and saw-mill operations in Canada and lower exports to the U. S. Because the U. S. needs lumber badly, a price ceiling differential is expected.

## Poplar Paper

Uruguay works on a plan to get newsprint from its own trees instead of depending on imports, now cut by war.

MONTEVIDEO—Stirred by the lack of newsprint due to the wartime shipping shortage, Uruguay is making extensive plantings of a new, early maturing, hybrid poplar, which local authorities insist can be worked into good grade pulp for paper, replace newsprint imports.

• **On State Lands**—Within recent years the "Servicio Forestal de la Direccion de Agronomia" of Uruguay has planted several million trees—pine, willow, poplar, and eucalyptus—largely on state-owned waste lands. Plantings were made, however, without considering fully the industrial needs of the nation.

It is now being urged that greater attention be given to the new hybrid poplar, known to the laboratories as "AM," first developed in Italy, now being introduced into the delta region of the La Plata River.

This hybrid, which provides a fine wood and has high resistance to blight, was tested by the Argentine Delta Experimental Station and found superior to 28 other native and imported types.

• **When to Cut**—Cuttings are started in a nursery and transplanted after two years' growth. Young trees are set out 120 to the acre, or about 18 to 20 feet apart. Trees are not cut before the 14th or 15th year. Growth between the 10th and the 15th year is equal to that of the first 10. After the 18th or 20th year trees increase in height but not in timber yield.

Italy consumed 200,000 tons of home-grown poplar in 1910 and 1,000,000 tons in 1939 for mechanical pulp, boxes and containers, timbers, posts, boards, and furniture. On the basis of population, Uruguay should consume 45,000 tons of poplar a year or about 90,000 of the 15-year old trees. Cutting at this rate would require a planting of 1,500,000 trees covering approximately 20 square miles.



# Contact

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SAYS PAN AMERICAN AIRWAYS!**



**... "Provides the Fastest, Most Accurate  
and Economical Purchase Order Plan  
In Our Experience"**

Here is the kind of swift efficiency you like to know about—not only for purchasing, but for production, payroll and order-billing.

In thousands of plants pressing hard to turn out war materials, production has been quickened by Ditto One-typing Systems. Countless hours formerly required for preliminary routine have been released for actual production.

The Ditto Parts and Assembly Order Method puts orders into the shop one to two days ahead—the Ditto Purchase Order Method gets raw materials onto your receiving platform a week or ten days ahead—the Ditto Payroll Method reduces the whole payroll routine to one simple writing; these are results typical of Ditto—results which you, too, may expect of Ditto.

Hardly less vital to victorious production are the elimination of human errors, huge savings of man-hours, and the precise control of paper work achieved by means of Ditto One-typing Systems.

Better send for free sample forms of Production, Payroll, Purchasing-Receiving and Order-Billing Systems.

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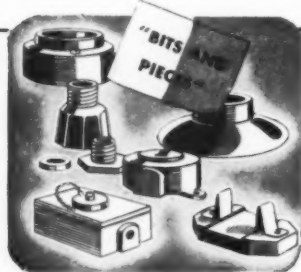
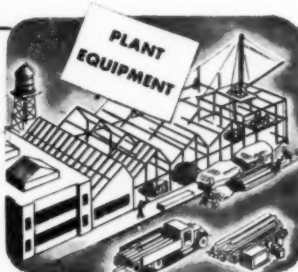
**DITTO, Inc., 627 SO. OAKLEY BLVD., CHICAGO, ILL. • Manufacturers of Business Machines and Supplies**

Business Week • January 9, 1943

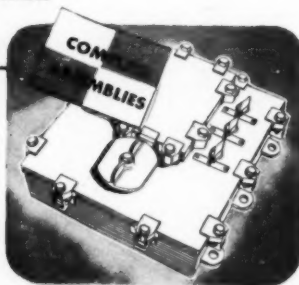


Along with the building of submarines, the Portsmouth Navy Yard is charged with supplying many of the electrical devices by which a modern combat ship moves, and thinks and fights as a unit.

Before Pearl Harbor, the first phase of Graybar's service to Portsmouth had begun: Electrical supplies required to enlarge the Yard's production facilities were furnished from Graybar's stocks, or promptly secured from among Graybar's 200 supplier-manufacturers.



As the program expanded, Graybar service entered a second phase. Graybar Specialists were of assistance in supplying essential "bits and pieces" (specially designed parts of metal, plastic, glass) to be used at the Yard to go into complete assemblies.



Finally, as the scope of the job outgrew even the expanded production facilities at Portsmouth, Graybar undertook the third phase of the job. Working with the companies which had supplied "bits and pieces", Graybar accepted—and fulfilled—the responsibility for delivery of assembled units on time.

The "know-how" that made this 3-phase service possible is deeper than mere distribution of supplies—it comes from Graybar's specialized knowledge of electrical performance, and from a broad-gaged knowledge of the production capabilities of electrical manufacturers the country over. If your electrical procurement problem is similarly complex—why not put it up to Graybar?

# Graybar

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Executive Offices: GRAYBAR BUILDING, NEW YORK, N.Y.

Bringing together more than 200 manufacturers . . . 20,000 customers



## PRODUCTION

### Glass for Steel

In making gages, Army's ordnance men find substitute works better in many respects; breakage a small factor.

Keep your eye on the newest non-metallic invasion of a field long monopolized by alloy steel—glass precision gages. They're out of the experimental stage. Army Ordnance is already inspecting several items of war material with them at Frankford Arsenal, will use more of them as fast as they can be obtained.

• **Advantages Cited**—That glass's invasion of the gage field is more than a temporary experiment to conserve critical steel for the duration is attested by reports from Frankford. Glass gages are improving and speeding ordnance inspection technique in at least four significant ways: (1) They don't rust, hence inspectors do not have to take time to wipe perspiration from their hands before using them; (2) their translucency brings higher visibility, hence greater speed and accuracy to many out-of-the-way inspections; (3) since their thermal conductivity is less than that of steel, and their linear coefficient of thermal expansion (0.0000040 to 0.0000060 per deg. F.) no greater, heat transferred from an inspector's hands to a gage will less affect its accuracy; (4) they are lighter, easier to handle.

Up to now, glass gages are being made in four broad types: (1) plug gages ("go" and "not go") for internal diameters from  $\frac{1}{4}$  in. on up; (2) ring gages for external diameters; (3) snap gages; (4) profile and position gages. Thread gages are out for the time being because of their inherent fragility.

• **Wood or Plastic Cases**—Ring, snap, and profile gages are encased in wood or plastic frames for protection against accident. Except for their translucency, plug gages look like any other single- or double-ended steel ones.

All four types are molded like many other items of glassware, but with such precision that they require very little grinding and lapping to bring them to final dimensions. They require no lathe work. In fact, it is estimated that they can be produced with only a fourth the machine tool and man hours used in the manufacture of steel gages. Once the gage molds are made, the cost of finished glass gages is about half that of steel.

• **Breakage Is Small**—Breakage in use is less of a factor than might be imagined because the inspectors who work with

them are "a breed apart," hired for their carefulness and precision. If they ever drop a steel gage, which would be most unusual, it is likely to become deformed, must be checked for roundness and dimensional accuracy before going back into use. If a glass gage is dropped, it either breaks or doesn't. If the latter, it can go back to work immediately.

Only two companies, Corning Glass Works and A. H. Heisey & Co., are molding glass blanks, but WPB's Conservation Division is putting together for Army Ordnance a list of glass manufacturers that might also be interested in supplying them. It is planned that such blanks will be finished into precision gages by regular gage manufacturers. Ordnance believes that about half of the hundreds of thousands of steel gages now inspecting ordnance can eventually be replaced with glass.

## CMP's Progress

WPB and armed services agree on plan details, but decisions on inventories are still in process.

The War Production Board and the services are gradually making up their minds on the marginal yet important details of the Controlled Materials Plan—details which were left vague when it was first announced. A definitive list of Class B (roughly, civilian type) items has been agreed upon and will be available by mid-January. It classifies as B-1 or B-2 some 500 groups of related items; though minor changes may be made, the list now is expected to stay put.

• **Clear Orders Due**—Decisions are near on inventory control, on the handling of construction work, on small unrated orders, and most important, on maintenance, repair, and operating supplies. An order limiting inventories of controlled materials (steel, copper, aluminum, and their alloys in mill and foundry shapes) is expected momentarily. Getting away from hazy language about "minimum practicable working inventory," it will forbid more than a 60-day supply of any controlled material.

At the same time, the Application for Allotment Number, which material-users submit to contracting agencies, will be modified to include the Production Requirements Plan principle of deducting inventory from material requirements. Instead of showing, as in the original form, how much material will be consumed in any month in meeting an approved production schedule, the new form will show how much material has to be bought after drawing on inventories to meet the schedule.

• **Military Policing**—To the extent that it is effective, a 60-day limitation on in-

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Love of family urges a man to protect his dependents . . . and his mind proceeds to find the way.

Life Insurance, of course, furnishes the answer and he can always choose one among the many plans available that most nearly fits his needs and resources.

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It's really a new idea. Designed strictly for the business-man's use—for eye-ease, time-saving, satisfactory results, the right answers. Technical details couldn't begin to convey what this Atlas really is. Briefly, it is size 12x15 inches—has loose-leaf binder with flexible imitation leather cover—240 pages all eye-ease treated. Contains what business men have told us they wanted. The price is only \$10.00 prepaid.

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Thus far, the Nation has been spared such sabotage-inspired holocausts as the Black Tom explosion of World War I.

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### The PROBLEM of LOGISTICS on the Production Front

The branch of military art which embraces the details of the transport, quartering, and supply of troops in military operations is called logistics.

War production plants, too, have the problem of getting the right thing in the right place at the right time. Keeping assembly lines on full production requires the handling of many thousands of small parts, stampings, assemblies, etc. These must be timed perfectly to prevent needless delays.

Lewis Skid Boxes can be adapted to the handling tasks of many of your small parts. They are easily handled with a power lift



truck saving space and time. Uniformity allows constant inventory check-up. Their rugged construction assures a long productive life.

Let Lewis Boxes help produce your WAR CONTRACTS — send for details today.

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INDUSTRIAL CONTAINERS

ventories should release rather substantial quantities of goods. Whether any inventory control can be effective is always problematical, but WPB officials are counting on the Army and Navy. Previously, the services leaned toward complacency about inventories, figuring that if one of their contractors tucked something in the sock, it just made prompt deliveries of munitions more certain.

Under CMP, each service is limited to definite deliveries of controlled materials in any month; the only way they can fatten it up is by digging out the inventories. And they have inspectors in the plants to do it.

• **Less Red Tape**—Repair, maintenance, and operating supplies will be easier to get under CMP, in the sense that there'll be less red tape to unwind. Top WPB opinion is that the maintenance and repair work now going on is excessive. At present tax rates, there is every incentive to plow back profits into repair work. What that amounts to, it's felt, is that hundreds of plants are being rebuilt at government expense. The loss of tax revenue doesn't worry WPB much, but material waste does.

There will be two plans for repair, maintenance, and operating supplies. One will cover major industries in which such items make up the bulk of their purchases—utilities, mines, transportation, etc. These will be assigned quotas of material based on their level of operation much as is now done under various blanket orders.

• **Easy Purchase's Joker**—A bigger change will be made in industries not covered by orders. They will be permitted to buy materials, including controlled materials, without making any application or receiving any permission—merely by certifying to the supplier that the materials are for repair, maintenance, and operations. This sounds too good to be true, and it is. Such a certification, presumably, will have lower priority than an allotment number. Thus the total of controlled material available for such work cannot exceed whatever amount is left unallocated each quarter by the Requirements Committee.

Getting CMP into effect now is past the first stage. This is a Washington stage, and most observers are reasonably encouraged by the progress to date. It remains to be seen how successfully industry will rise to the second stage, when paperwork really begins.

• **Bids Are Studied**—The first of the year, the various claimant agencies (Army, Navy, Lend-Lease, BEW, Maritime Commission, Aircraft Scheduling, and Civilian Supply) submitted to the Requirements Committee that part of their second-quarter program which they expect to bring under CMP. Rather more than was originally expected will be included. The Navy, for instance, which is probably furthest along, ex-

pects to get 90% of its controlled materials under CMP in that quarter.

These programs are broadly putated. Thus the Navy will ask for so much controlled material for battleships, so much for ammunition under 50 caliber. It was originally thought that these figures would be based on bills of material. However, it has proved possible to compile them with what is considered sufficient accuracy (10% error isn't thought bad), almost entirely from data available in Washington. On the basis of these estimates, the Requirements Committee will assign each claimant agency its gross chunk of material. Then will come industry's turn.

• **Hard Work Ahead**—Manufacturers will be required by their claimant agencies to submit applications for allotments—applications including the needs of their subcontractors. In filling out these applications and compiling data from subcontractors, industry will do its heavy sweating.

Application forms will start going out in mid-January. Class A manufacturers who have not received them by Feb. 1 should inquire of their claimant agency or their prime contractor. Class B producers should refer to their WPB industry division.

## Ink From Autos

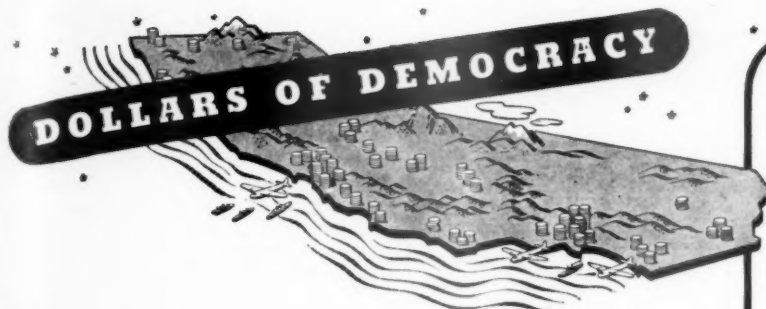
Printing ink makers say car conversion has left them enough for all—including the cigarette manufacturers.

If there is no printing ink shortage to bedevil publishers, printers, and advertisers in 1943—and the prospect of one seems to be diminishing daily—credit heavily the conversion of the automobile industry to all-out war production early in 1942.

• **For Other Uses**—With the end of passenger car manufacture came nose dives in production requirements for chrome plating, molybdenum steel parts, tires. Chromium and molybdenum became available not only for ships and tanks and planes, but also for chrome yellow ink, chrome green, molybdate orange. Carbon black, normally used in huge tonnages for toughening tires, became available for magazine, newspaper, and advertising ink.

Credit the automotive conversion also for a big part in releasing printing inks themselves for the use of other advertisers. Though the automobile makers maintained their volume of publication advertising at a surprising level, they eliminated their millions of colorful show catalogs and trimmed their direct mail efforts almost to nonexistence.

• **"Stocks Adequate"**—As the new year swings into high, the big printing ink



**"Billions for offense"** is the battle cry of modern America to which the Nation's banks have rallied. California has become one of the great arsenals of Democracy. The resources of this bank, both human and financial, are serving the demands which total war imposes upon American business, industry, and agriculture.

#### Condensed Statement of Condition December 31, 1942

##### RESOURCES

Cash in Vault and in Federal Reserve Bank . . . . .	\$ 350,278,009.96
Due from Banks . . . . .	254,763,374.78
<b>TOTAL CASH . . . . .</b>	<b>\$ 605,041,384.74</b>
Securities of the United States Government and Federal Agencies . . . . .	1,043,061,518.77
State, County and Municipal Bonds . . . . .	172,982,016.46
Other Bonds and Securities . . . . .	45,985,908.32
Stock in Federal Reserve Bank . . . . .	3,720,000.00
Loans and Discounts . . . . .	840,469,960.29
Accrued Interest and Accounts Receivable . . . . .	7,735,711.04
Bank Premises, Furniture, Fixtures and Safe . . . . .	
Deposit Vaults . . . . .	30,956,355.77
Other Real Estate Owned . . . . .	3,974,282.61
Customers' Liability on Account of Letters of Credit, Acceptances and Endorsed Bills . . . . .	16,590,257.41
Other Resources . . . . .	1,172,236.28
<b>TOTAL RESOURCES . . . . .</b>	<b>\$2,771,689,631.89</b>

##### LIABILITIES

<b>DEPOSITS:</b>		
Demand . . . . .	\$1,601,668,776.37	\$2,586,140,699.00
Savings and Time . . . . .	984,471,922.63	
Liability for Letters of Credit and as Acceptor, Endorser or Maker on Acceptances and Foreign Bills . . . . .	16,812,501.73	
Reserve for Interest Received in Advance . . . . .	4,088,920.20	
Reserve for Interest, Taxes, Etc. . . . .	4,245,148.20	
<b>Capital:</b>		
Common (4,000,000 Shares) . . . . .	\$ 50,000,000.00	
Preferred ( 460,796 Shares)* . . . . .	9,215,920.00	
Surplus . . . . .	62,000,000.00	
Undivided Profits . . . . .	21,151,214.33	
Reserve for War Contingencies, etc. . . . .	12,074,463.57	
Other Reserves . . . . .	2,834,881.21	
Reserve for Increase of Common Capital . . . . .	2,784,080.00	
Preferred Stock Retirement Fund . . . . .	341,803.65	
<b>TOTAL CAPITAL FUNDS . . . . .</b>	<b>160,402,362.76</b>	
<b>TOTAL LIABILITIES . . . . .</b>	<b>\$2,771,689,631.89</b>	

\*Issued at \$50 (\$20 Capital—\$30 Surplus), Annual Dividend \$2. Preferred to extent of and retireable at issue price and accrued dividends.  
This statement includes the figures of the London, England, banking office.

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Anaheim	Highland	Ramona
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Antioch	Hilmar	Redding
Arbuckle	Hollister	Redlands
Arcadia	Hollywood	Redondo Beach
Arcata	Huntington Park	Redwood City
Arroyo Grande	Hynes	Reedley
Atascadero	Indio	Richmond
Atwater	Inglewood	Rio Vista
Auburn	Ione	Ripon
Avenal	Isleton	Riverside
Azusa	Jackson	Roseville
Bakersfield	Kelseyville	Sacramento
Balboa	Kerman	St. Helena
Baldwin Park	King City	Salinas
Barstow	Kingsburg	San Anselmo
Bell	Knights Landing	San Bernardino
Belvedere	Laguna Beach	San Bruno
Gardens	La Habra	San Carlos
Benicia	La Jolla	San Clemente
Berkeley	Lakeport	San Diego
Beverly Hills	La Mesa	San Dimas
Biggs	Lancaster	San Fernando
Bishop	Lincoln	San Francisco
Brawley	Lindsay	Sanger
Brentwood	Live Oak	San Jose
Burbank	Livermore	San Juan
Burlingame	Livingston	Bautista
Calexico	Lodi	San Leandro
Calistoga	Lompoc	San Luis Obispo
Camarillo	Lone Pine	San Mateo
Cambria	Long Beach	San Pedro
Camp Roberts	Loomis	San Rafael
Cedarville	Los Angeles	Santa Ana
Centerville	Los Banos	Santa Barbara
Chico	Los Gatos	Santa Clara
Chino	Loyalton	Santa Cruz
Chowchilla	Madera	Santa Maria
Chula Vista	Manhattan	Santa Monica
Claremont	Beach	Santa Paula
Cloverdale	Manteca	Santa Rosa
Colfax	Mariposa	Saratoga
Colma	Martinez	Sausalito
Colton	Marysville	Sebastopol
Colusa	McCloud	Selma
Compton	Mendocino	Shafter
Concord	Memo Park	Solana Beach
Corning	Merced	Soledad
Corona	Millbrae	Sonoma
Coronado	Mill Valley	Sonoma
Covina	Milpitas	South Gate
Crescent City	Modesto	So. Palo Alto
Cucamonga	Monrovia	So. Pasadena
Culver City	Monterey	So. San Francisco
Daly City	Monterey Park	Stockton
Danville	Montrose	Studio City
Davis	Morgan Hill	Suisun
Del Rey	Mountain View	Sunnyvale
Dinuba	Napa	Susanville
Dixon	National City	Sutter Creek
Dos Palos	Needles	Taft
Downey	Nevada City	Tipton
Dunsmuir	Newcastle	Tomes
Eagle Rock	Newhall	Torrance
El Centro	Newport Beach	Tracy
Elk Grove	No. Hollywood	Truckee
El Monte	No. Long Beach	Tujunga
Emeryville	No. Sacramento	Tulare
Encinitas	Norwalk	Tulelake
Escondido	Oakdale	Turlock
Eureka	Oakland	Ukiah
Exeter	Oak Park	Upland
Fairfax	Ocean Beach	Vacaville
Fall Brook	Ocean Park	Vallejo
Fall River Mills	Oceanside	Valley Ford
Ferndale	Ojai	Van Nuys
Fillmore	Ontario	Venice
Firebaugh	Orange	Ventura
Florence	Oroville	Vernon
Folsom	Oxnard	Victorville
Fontana	Pacific Grove	Visalia
Fort Bragg	Palm Springs	Walnut Creek
Fortuna	Palo Alto	Wasco
Fowler	Pasadena	Watsonville
Fresno	Paso Robles	Weaverville
Fullerton	Pescadero	W. Los Angeles
Gardena	Petaluma	Westwood
Geyserville	Piru	Westwood
Gilroy	Pismo Beach	Village
Glendale	Pittsburg	Wheatland
Glendora	Placencia	Whittier
Goleta	Placerville	Williams
Grass Valley	Pleasanton	Willows
Gridley	Point Arena	Wilmington
Gustine	Point Reyes	Winters
Half Moon Bay	Pomona	Woodlake
Hamilton Field	Porterville	Woodland
Hanford		Yreka
Hawthorne		Yuba City





"It's really excess tare weight that breaks a camel's back"

## NO EXCESS WEIGHT WITH GENERAL BOXES

**S**HIPMENTS to the fighting fronts and war production lines arrive sooner when tare weight is reduced to a safe minimum. A few pounds saved on the packing of a single unit may not seem important—but when added to the excess of the thousands of other shipments it becomes a back-breaking straw.

Engineered General Boxes not only reduce tare weight to a minimum but also assure maximum strength . . . provide the extra stamina required to stand up under today's overland and overseas travel. Then, too, they conserve vital space in ships, trucks, trains and on the shipping room floor.

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District Offices and Plants: Brooklyn, Cincinnati, Detroit, East St. Louis, Kansas City, Louisville, Milwaukee, New Orleans, Sheboygan, Winchendon.  
Continental Box Company, Inc.: Houston, Dallas

manufacturers like International Printing Ink and General Printing Ink report adequate stocks of all colors of inks. They are inclined to view with some alarm the cut in ink consumption that will automatically follow the 10% cut in paper consumption now going into effect in the nation's newspapers and periodicals. Even though the war might further restrict chromium and molybdenum, the ink producers claim to have every color requirement covered by an adequate and now plentiful substitute material. Metallic inks based on bronze powder, which were cut off by WPB order M-9-c-3 early in 1942, are now available up to the limit of manufactured stocks on hand—"enough," says Sleight Metallic Ink Co., "to last for the duration."

Only things ink men really fear are further stringencies in manpower and transportation. They are inclined to scoff at the idea of any large ink user's following the lead of American Tobacco in sending Lucky Strike green "off to war," because (1) chrome green ink to the tune of about 400,000 lb. is thus released for other purposes, and (2) they say chrome green uses a low-grade chrome ore unfit for metallurgical uses.

• **Cigarette Theory**—Competitive cigarette manufacturers are inclined to stand pat with their present ink specifications until such time as WPB directs further changes. They believe that Lucky Strike's shift from green was directed by an American Tobacco hunch that the old Lucky Strike package was too masculine to attract its fair share of the rapidly growing feminine smoke market—a theory stoutly denied by American's president, George Washington Hill, Sr.

## BUNA IN THE BAYOUS

The dream of some of the smaller rubber companies for a piece of the synthetic rubber program (BW—Dec. 12'42, p29) has come true. Rubber Reserve Co. has entered into a contract with the Copolymer Corp. to operate a government-owned synthetic rubber plant to be built in Louisiana by Defense Plant Corp.

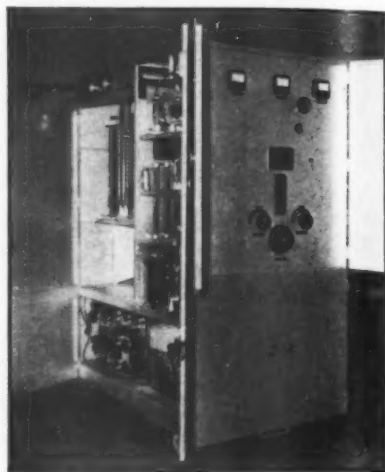
Copolymer Corp. is the joint enterprise of seven companies, each represented on the executive staff of the new corporation. The companies are Armstrong Rubber Co., Dayton Rubber Mfg. Co., Gates Rubber Co., Lake Shore Tire & Rubber Co., Mansfield Tire & Rubber Co., Pennsylvania Rubber Co., and Sears, Roebuck & Co. General manager, with the rank of vice president, is C. M. Hulings, formerly with American Cyanamid Co.

The participating rubber companies are to provide the technical staff for the new plant. Five other small tire companies, organized as the National Synthetic Rubber Corp., will operate a government-owned buna plant in Kentucky.

## NEW PRODUCTS

### High Frequency Heater

If you've seen a physician's diathermy outfit in operation and experienced its ability to warm any portion of the body with high frequency electricity, you'll have some idea of how the new Model 15 Thermex speeds industrial heat processing of various nonconducting materials. In other words, it's a heater that utilizes the principle of generating heat within a mass by exposing it to a high frequency field which sets up molecular



friction uniformly throughout the material being treated. As a result of this "inner penetration," rapid uniform heating is said to be achieved regardless of the mass thickness exposed to the electrostatic field.

Manufactured by Girdler Corp., Thermex Div., 224 E. Broadway, Louisville, Ky., the device comprises various electric and electronic circuits housed in a castor-mounted cabinet. Although its first indicated use will be found in the resin-bonding of plywood, it is expected to find wide application in the heat-processing and drying of many kinds of nonconducting materials.

### Instantaneous Fluorescent

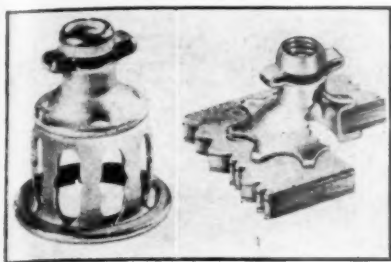
The new Insta-Lite Fluorescent Fixtures for two 40-watt tubes are equipped with new combination ballasts and starting switches. Their manufacturer, the Spero Electric Corp., 18220 Lanken Ave., Cleveland, claims they "provide illumination to full intensity without flicker or delay the instant they are turned on."

### "Cage" Nut for Plywood

Wherever plywood is joined to metal parts and assemblies, as in planes and gliders, the new Boots Self-Locking "Cage" Nut, developed by Boots Air-



craft Nut Corp., New Canaan, Conn., is a candidate. The nut's "basket mount" (left) is collapsed into a drilled hole in the plywood with a special tool clinching the plywood (right) in a claw-like



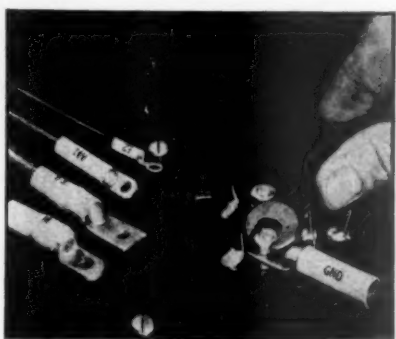
grip which "withstands, without tearing, torque applied when a bolt is inserted by production methods." It is adjustable to varying thicknesses and lends itself readily to a variety of "blind assemblies."

### Throwaway Blanket

The warm new Airobe Blanket was designed by an insulation engineer for a sick child who complained of the weight of his bed covering. Claimed to be warmer than a wool blanket of equal weight, it is made by Airobe Co., 319 E. 44th St., New York. It consists of several layers of soft crepe tissue with a cross reinforcement of yarn and a fabric binding. While not as tough as a wool blanket, it "will with reasonable care give service for one season and can then be replaced at approximately the cost of laundering and cleaning."

### Wire Insulator-Markers

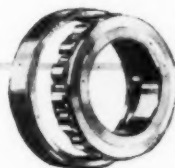
Plastic of high dielectric strength is extruded into tubing, cut into short



lengths, and printed with symbols to become Combination Insulators and Wire Markers, new product of Irvington Varnish & Insulator Co., 6 Argyle Terrace, Irvington, N. J. They come in various colors and inside diameters with either black or yellow symbols, printed with ink that "has resistance to chemicals, water, and oils equal to the tubing itself." Smooth inside, they slip easily over wires and connecting lugs.

# Again, THANKS Industry

*for our 50<sup>th</sup> and most important year*



IN JANUARY, 1942, we gratefully thanked Industry for its half-century of confidence in Hyatt. That message heralded the beginning of the 50th year of Hyatt Roller Bearings.

Since then . . . with our country in peril of its life . . . American industry has thrilled the Allied world with startling feats of production.

Like soldiers on attack, men of the design boards and production lines swung to the job of pouring out the machines that will win this mechanized war.

Industry called on Hyatt for vital bearing assignments in planes, tanks, ships, guns . . . and in the machines that build them.

Creating bearings for such vital service was more than a responsibility. It was a privilege. It was a command!

Without lost motion the whole productive effort of Hyatt became a single aim . . . to rush the most devastating fighting power possible into the hands of our fighters and their allies.

Under the impetus of our fight for freedom, Hyatt precision production has swelled tremendously. This took place despite the many necessary changes made in designs and sizes, tools and methods . . . all having been accomplished without losing a stride in the race against time.

Working with you . . . for America . . . has given us the chance to be extra proud of our fiftieth year, just completed. It was by far Hyatt's most important year . . . in manufacturing achievement and in contribution to the great cause.

Therefore, for giving us a golden opportunity in our golden year, again we say THANKS, INDUSTRY.

Hyatt Bearings Division, General Motors Corporation, Harrison, New Jersey.



## HYATT ROLLER BEARINGS



## Buell Dust Recovery Systems help put it there

High Explosives are "booming" these days. America's arsenals are turning out astronomical quantities of bombs, shells and torpedoes...every one with a deadlier-than-ever "boom" for our enemies.

Sulphuric acid is important in the manufacture of explosives, but absolute purity of the acid is essential. Buell Dust Recovery Systems are used in conjunction with the contact method of making sulphuric acid because their high efficiency in removing contaminating flue dust from the sulphur dioxide gas assures purity in the finished product.

This is just one of many ways in which versatile Buell Dust Recovery Systems are helping industry achieve its war production goals by preventing contamination and salvaging critical materials for re-use. The van Tongeren "shave-off"—an ingenious design feature found only

in Buell cyclones—insures exceptionally high collection efficiency, low operating cost and long life. Buell cyclones have no moving parts and require little or no maintenance or attention.

Buell Dust Recovery Systems easily handle high temperature gases, and can be installed for any desired capacity from 300 c.f.m. up.

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BUY WAR BONDS AND MAKE THE AXIS BITE THE DUST

## LABOR

### Women—Now!

How badly they're needed in industry; what they can do. WMC emphasizes the facts, is worried about the glamour.

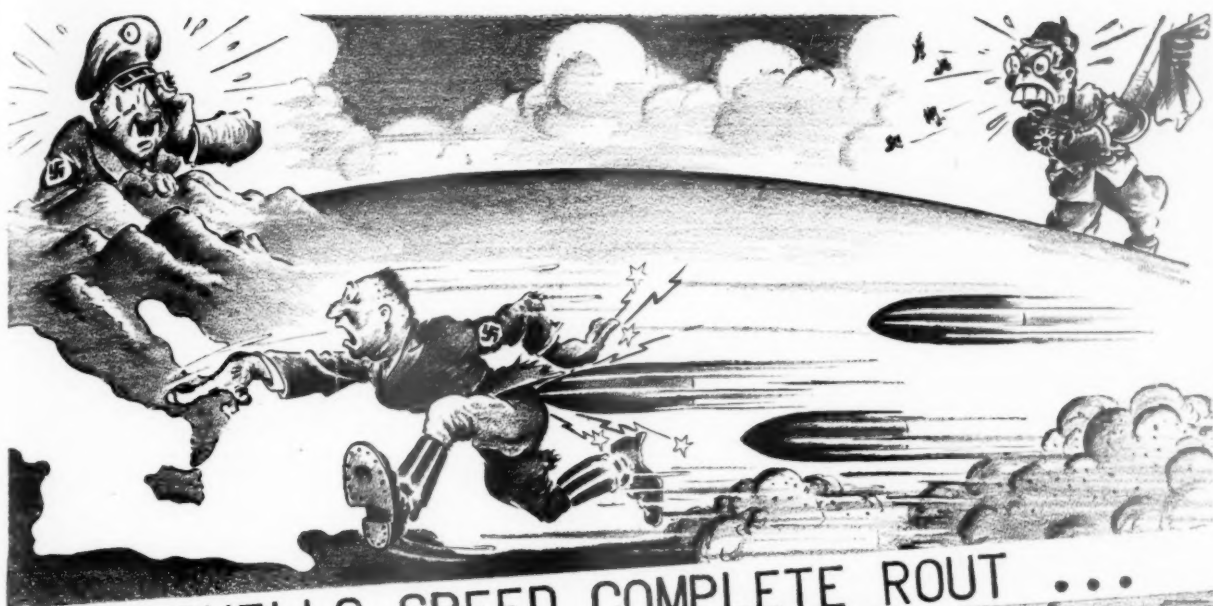
Deglamorizing the woman-in-industry campaign is the War Manpower Commission's first big job for 1943. For WMC believes that the Hollywood-type of publicity that has so far attended female replacement of male labor is blinding the women themselves to the opportunity and desperate need for them. Surveys tell of women who have stuck to housework because the publicity stunts had convinced them that it had all been exaggerated.

• **The Cold Facts**—The real situation is highlighted by figures revealing that, unless industry hires 200,000 women now unemployed and draws 2,800,000 more away from household or school duties in 1943 (against 1,800,000 in 1942, which took the most easily employable group), production quotas will have to be revised downward for lack of labor.

To convince the women—and their prospective employers—how much women are needed in industry in 1943, the commission is distributing the cold facts in the Employment Security Review going to thousands of United States Employment Service offices, spearhead of the recruiting drive.

• **How Many?**—Big statistical fact is that industry must dip deep into the pool of 22,700,000 married women between the ages of 18 and 64 (1940 Census). Of this total, 5,300,000 must be counted out as being on the farm and likely to stay there. And of the 17,400,000 left in urban and rural non-farm areas, an estimated one-fifth is crossed off as having children under ten. That leaves, as of 1940 and probably today, about 13,900,000 married women in the potential labor force. Add 2,600,000 single women able to work and not in the labor force and 1,900,000 widowed, separated, or divorced and you get a total of just over 18,000,000.

However, many temporary and permanent factors scale that total way down. Housework and child care may be unforsakable. Other obstacles listed by WMC are lack of purely local job opportunities, conventional disapproval of working wives, lack of incentives for those of adequate family income. And the commission knows that women who say "yes" to a poll's hypothetical question as to whether they would take a factory job are often thinking of a hypo-



## R-R SHELLS SPEED COMPLETE ROUT ... MORE THAN 500 TANKS DESTROYED

The Remington Rand organization was the first producer of large-calibre armor-piercing projectiles, used with such conspicuous success in the new high-velocity anti-tank guns in North Africa. The factory formerly devoted to the building of Remington Noiseless Typewriters produced the first of these shells, and to date, several million of them have been delivered.

This is but the beginning of the good news about American armament which you can confidently expect to receive, with growing frequency, from battlefronts all over the world. For the nation's industrial capacity is now fully geared for war output...today, every original Remington Rand factory, plus several new ones just completed, are producing solely for war. Our major war contracts are shown graphically at the right.

We are proud of our production of weapons and war equipment. We are equally proud that the typewriters, business machines and control systems we normally make are helping the armed forces and

government departments do the thorough planning so essential to successful campaigns. And we are proud that these same machines and systems are helping thousands of war manufacturers deliver tremendous production increases. For example, more than two-thirds of all winners of the Army-Navy "E" use our Kardex Production Control System to speed the flow of war goods from factory to fighting men.

We will continue to increase our production of war materials and to help others increase theirs.

We will continue to back up our 2295 employees, from every branch and factory, now serving with the colors.

We will fight the war not only with our skill and ability but with the dollars which thousands of us are regularly putting into War Bonds and Stamps.

*Current War Contracts in chart represent major prime and sub contracts in process and partially completed and are shown in direct relation to production of regular products in 1941 and to all production in 1942*

VICTORY, absolute and final, is our only objective ☆ ☆ ☆

# Remington Rand



IN PEACETIME, the world's largest manufacturers of adding, accounting and tabulating machines, typewriters, record systems, office supplies and electric shavers.



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Here's what they say . . .

"This work is a genuine contribution to the war effort," Hoffman Beverage Co.; "A substantial contribution to power conservation," Texas Power & Light Co.; "Want to congratulate you on your National Power-Recovery Plan," Leeds & Northrup; "Very practical and useful," Rohm & Haas; "Well explained in the booklet," Johnson & Johnson.

Here's what it does . . .

The Gilmer Plan is designed to build Industry's power resources by reducing power waste. It gives practical charts for Electricity, Gas, Water, Steam, Mechanical Transmission, Compressed Air, Refrigeration, Boilers, and Prime Movers. To improve efficiency in your plant, put it to work, today, without obligation or cost.

And if you need belts . . .

Write for Gilmer's Handy Belt-Selector . . . for selecting V-Belts, Flat Belting, Round Endless Belts, Belts for Textile Machinery, and special purpose belts. It's an aid to efficiency and power recovery.

**Gilmer**  
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L. H. GILMER CO.  
Tocony, Phila., Pa.

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The Gilmer Handy Belt-Selector

Name and Title \_\_\_\_\_  
Company \_\_\_\_\_  
Address \_\_\_\_\_

thetical job, such as nearby congenial employment that may not turn up in a real job opportunity.

● **Selling Job Needed**—The scaling-down to date (without a national registration of women) has been done on the basis of Bureau of Employment Security estimates, which have stood up under a WPA survey, and a broad sampling conducted by the Employment Stabilization Research Institute of St. Paul, Minn. From the figures thus supplied, WMC comes out with an estimate of 7,000,000 women prepared to take factory work, but it knows that to count on anything remotely like that number it must do a big selling job.

To answer the question, what kinds of jobs for women? the commission cites a survey made by the Occupational Analysis Section of the Bureau of Employment Security, which is now a section in WMC. That survey revealed that, out of 1,900 war occupations, 1,468 are wholly suitable for women, and 376 more are partially suitable.

● **What They Can Do**—To show the diversity of traditionally men's jobs now being satisfactorily handled by women, though they call for an unusual amount of strength or dexterity—even for a man—the commission cites these illuminating examples (several of them previously reported, with names and places, in Business Week):

● **Crane Operator**—At an Army proving ground an 18-year-old girl operates a 15-ton crane. One of the largest midwestern

steel plants has started a training class in crane operation for women, to train them in the handling of mill and machine shop cranes.

● **Ordnance Tester**—At an Eastern proving ground an all-girl crew fires and cleans a 90-millimeter anti-aircraft gun. On the same proving ground more than 1,000 women have replaced men in testing all types of war material—tanks, machine guns, trucks, and aircraft cannon.

● **Miner**—In Arizona and Colorado mines, women are employed as ore-sorters, machine greasers and cleaners, aerial-team operators, sledgers. In one mine women wield an 8-pound sledge in the best of manlike tradition.

● **Watchwomen**—Women guards watch for fires, accidents, and sabotage at an aircraft plant and are trained to handle potential saboteurs with the gentle art of ju-jitsu.

● **Foundry Coremaker**—This job involves the handling of heavy materials in heat and fumes, using shovel and tamping tools.

● **Forming-Press Operator**—This operator sets up templates or molds for huge hydraulic presses; the presses are used for stamping metal parts.

● **Fire-Fighters**—An entire squad of eight girls supplements the men's volunteer organization employed by a Western plant for industrial protection. Completely equipped, they are ready for any fire emergency.

● **Instrument Makers**—Cyro-Horizon and Direction-Indication instruments, necessary for safe, accurate navigation of our Army aircraft, are so delicate that all work must be done in washed-air, pressure-controlled rooms. Women have proved themselves especially adaptable for this type of work.

● **Engraving-Machine Operator**—While men who are skilled in this type of work say

## Women Workers Replace Men in Many Vital Civilian Jobs



**WATCH IT, MOTHER!**—The eagle eyes of Miss Betty Hurt, of 1825 Penn. St., Erie, Pa., are watching carefully while a Link transfer gun through hot gases at the Navy's Coastal Defense School. The device used in the advanced course will fire a "bullet" of any distance and at any altitude without ever leaving its ground.



**LASTING!**—Mrs. Roberts, Long, formerly of Long, Pa., and now of Hagerstown, is a full-fledged Civilian Control member with her hands busy at the airport.



**THEY LEAD TWO TO ONE!**—Miss Elsie Ray (left), working in the public relations office at Fort McPherson, while Mrs. Ruby W. Schneider (right), keeps records on the district personnel. The "more men" who changed to work into the office in September, 1942, at Fort McPherson, were, in connection with the Signal Corps.



Type of glamour publicity (in this instance from a newspaper) that the War Manpower Commission believes has muted the call for women workers.

By frowning on Hollywood tactics and emphasizing feminine efficiency rather than face value, WMC aims to "sell" jobs to 7,000,000 women.



## *Air have had their Feet on the Ground*

that industry will build after the war, but not enough talk about the need for SEED MONEY to turn those hopes into realities.

The practical fact is that business cannot adjust itself to post-war production without "seed money."

► "Seed money" will pay for the research that must come before new and better post-war products can be built. It will pay for retooling when new models are produced. It will pay for the study of methods to get the lower costs that will make it possible for more people to buy. It will pay for setting up new distributors and dealers, and for hundreds of other activities that are involved in the *growth* of business.

The tax law should be adjusted to allow business to accumulate funds for these necessary tasks of post-war development.

Ask your Congressman to see that American business is given a chance to create jobs after the war, be revising the excess profits tax so as to leave the "seed money."

### THE MCGRAW-HILL NETWORK OF INDUSTRIAL COMMUNICATION

22 publications, which gather "war-news" from the "war-production-front" through a staff of 153 editors and 725 engineers-correspondents . . . More than 1,500,000 executives, designers, production men and distributors use the editorial and advertising pages of these magazines to exchange ideas on war-production problems.

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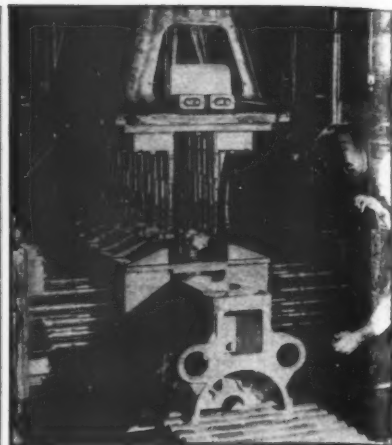
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\*U.S. Pat. No. 2,093,547—Canadian Pat. No. 223,568

↑ INTERNATIONAL CHAIN ↓



### DRILL FOR SAVING

More holes per hour than were formerly completed in a day when bored singly are now made in marine engine blocks at the Hudson Motor Car plant in Detroit by a 100-drill, three-way machine, with a companion piece for tapping. Recent tests of the pilot job have been successful, and the output of Hudson's big *Invader* engines is expected to accelerate.

that they have never previously heard of women operating such machine, a woman does operate one today—and very efficiently.

● **Turret Lathe Operator**—From her husband, who is now serving with the armed forces, a woman has learned the basic mechanical principles that have made her the first woman turret lathe operator in a wellknown plant.

● **Pattern Maker**—The job of making plaster molds for dies, an operation so delicate that the tiniest variation means ruin, is handled by women with previous experience as artists, sculptors, and pottery makers.

● **Milling Machine Operator**—Operating a milling machine to shape impulse blades for steam turbines on merchant ships was once a man's job; today there is at least one instance of a woman—a former pianist—performing the task.

While the U. S. Employment Service has prepared for employers a list of occupations suitable for women, it cautions that this list should serve only as a rough guide. The real test lies in the job specification and the applicant available.

● **Who's Better?**—Summaries of results of the more scientific tests and analyses boil down to the following generalizations about women workers:

● **Dexterity**—There is no proof that women are more patient in their work than men, or that women excel men in close, accurate work. There is some evidence that women are faster in working with the fingers and hands in routine performance. Women have, on the average, smaller fingers, which might be of advantage in cer-



# ALERT!...

## "Enemy Planes Approaching"

Our pilots streak "upstairs"...maneuver to get on the enemy's tail. Then... the instant on which *all* depends. Firm pressure on an electric "trigger" switch. The wing guns bark...pour streams of lead into a crumpling Zero.

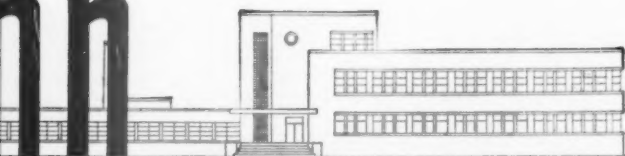
Every split-second of air battle is tense with urgency. There can be no second guessing, no smallest failure of his ship or equipment for the pilot who comes back! And never have courage and daring deserved better weapons than our American flyers have won...in the Pacific...over Europe, Africa, the Aleutians.



So Penn is proud of its assignment to supply the gun-firing solenoid for many Navy planes. In this task our experience in precision craftsmanship is of the utmost value...the *dependability* which has always marked Penn products has its worthiest objective.

When the war is won we shall turn our resources again to the production of automatic controls—controls of many types—which will raise still further the standards of comfort, convenience and efficiency in American life.  
*Penn Electric Switch Co., Gosben, Indiana.*

# PENN



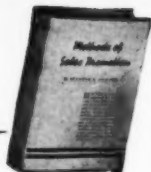
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Yorkshirewoman Anne Loughlin is the new president of the British Trades Union Congress, England's powerful labor federation. With Sir Walter Citrine (right), T.U.C.'s sec-

retary, she will administer the affairs of the organization in 1943. Her election to Britain's highest honorary labor office signifies the importance of womanpower in British industry.

tain types of work. Women excel somewhat in tests of finger dexterity and manual dexterity.

• **Supervision**—There is no conclusive evidence that men are better or worse supervisors than women.

• **Mechanical Ability**—Custom is probably women's greatest handicap to making their maximum contribution to the war effort. It just isn't customary for women to study engineering, mechanics, machine design, or to become apprentices. Because of their background, women are said to possess less native mechanical ability than men. But there is considerable evidence to show that less understanding of mechanical devices is due to a lack of experience and not to a lack of native aptitude.

• **Job Changes**—Because of women's lesser strength, the employer may have to modify certain aspects of the work he is assigning to women. He may have to make greater use of powered vehicles or conveyor belts to move materials; cranes, chain hoists, and other lifting paraphernalia may have to be installed. Sometimes, not always of course, whole jobs may have to be re-engineered.

• **Call to Employers**—To prepare the way for the great invasion of industry by women in 1943, WMC is asking employers to analyze all occupations within the plant, determine the types of work that women could do, consult with supervisory staffs and representatives of employees' organizations in order to promote acceptance of women as coworkers. Manning tables (BW-Nov. 7 '42, p19) are recommended as a handy device for making the necessary job analyses.

## NWLB Talks Tough

Board seeks to head off union rebellion by hard words and threats of its own. F. D. R. takes a hand, too.

Facing predictions of an increasing union rebellion against its rulings in 1943, the National War Labor Board has started the year with a sterner policy towards those that engage in strikes to influence or speed up its action. Three times in the last week, it has cracked down, each time by unanimous vote.

The first case involved the Mechanics Educational Society of America (independent union, not affiliated with A.F.L. or C.I.O.), which called a strike in the Briggs Manufacturing Co.'s Connor Avenue Plant in Detroit on Nov. 4 and a general sympathy strike of 9,000 workers in 18 other Detroit war plants Nov. 7 because seven of its members had been discharged. NWLB refused to reinstate the seven and condemned Matthew Smith, union president, for "highly irresponsible and reprehensible" actions. Smith admitted the strike had been called to get the NWLB to act on demands of his union for bargaining rights despite a C.I.O. United Automobile Workers' exclusive contract with the company.

When an independent union struck

# PEACE OF MIND...

## *in time of war?*



Today no one can buy *complete* peace of mind for love or money. That must wait until the price of Victory is paid—in the mortal currency of blood and sweat and tears.

But every one of you who longs for present and future security—for your family, your country, your business—can and should do two things to help achieve that security. And to lessen today's worries.

### *With an eye to tomorrow...*

Invest every dollar you can in War Bonds. Not simply for the immediate purpose of helping to pay for fighting tools—but be-

cause you can not make a better investment for your own future protection. After they've helped Uncle Sam to win the war, your Bonds will help *you* to educate the children, or remodel your house, or do whatever is nearest your heart.

### *With an eye to today...*

Insure yourself against all risks of potentially serious financial loss through fire, accident or someone's dishonesty. You probably have fire insurance on your home—an automobile policy for your car. But is that *enough* protection in these times?

Naturally you don't need *all*

the kinds of insurance offered by the Two Hartfords—there are more than 70 of them. But if you have a family—property—a job—a business of your own—useful eyes and hands—you almost surely need *some* forms of protection *that* you do not have now!

### *Get expert advice*

Only a qualified insurance man can tell you *which* forms of protection you need—*why* you need them—*how much* you ought to have. Talk it over with your local Hartford agent\* or your insurance broker. Two or three additional premiums are a lot easier to pay than one serious loss!

*\*We'll gladly send you his name.*

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SAVE TIME  
WITH  
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on EVERY cut in  
metals, wood and  
compositions!



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• Your toughest, slowest cutting jobs are easy and fast with SKILSAW! It has extra power for extra speed on every cut you make in war production. And SKILSAW goes right to each job... saves steps, saves time, saves material handling.

With abrasive discs (illustrated) SKILSAW quickly cuts sheet metals, stainless steel, channel or corrugated steel up to 16 gauge... copper up to 1 in. thick and 4 in. lead sheets. It saws plywood, plastics, compositions and heavy timbers... speeds all crating, uncrating and maintenance sawing. And the time it saves on all these jobs makes SKILSAW the favorite in war plants everywhere!

SKILSAW is light, compact, easy to use. Works from any light socket. Why not ask your distributor now to demonstrate SKILSAW on your own jobs? You'll be glad you did!

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at the Windsor Manufacturing Co., Philadelphia, in an effort to circumvent a board ruling that the company sign an exclusive bargaining contract with the C.I.O. Textile Workers Union, each member received from the board a stern telegram warning that it would withdraw seniority rights from all strikers unless they returned to work immediately. The board said the workers were "engaging in an individual act which is both unpatriotic and detrimental to the war effort."

Again, such terms as "callousness bordering on lack of patriotism" answered a threat by Lodge 68, A.F.L. International Association of Machinists that it would strike unless the board acted by Jan. 6 on its demand that women employees at the Joshua Hendy Iron Works, San Francisco, be given the same minimum wage as men employees. The board had turned down the union contention that the contract with the company required equal pay, pointing out that the contractual provision setting minimum wages for all employees had been entered into at a time when the company did not hire, and did not expect to hire, women employees.

Directing that a job study be made to determine if the quality and quantity of the work performed by women was comparable with that formerly done by men, the board said direct negotiations between the company and the union should begin within seven days and must be referred to a board-selected arbiter if no agreement is reached within two weeks thereafter.

The machinists were involved in another bay area dispute, which drew a sharp reprimand from President Roosevelt, himself, when the East Bay Union lodge at Oakland refused to accept the amended Pacific Coast shipbuilding and ship repair stabilization agreements, with their provision for Saturday and Sunday work as well as anti-migration measures. The President telegraphed the union and its business agents—Harry Hook and E. F. Dillon—that they had delayed reinforcement of the fighting fronts and flatly directed them to get into line.

## C.I.O. INVADES THOMPSON

The C.I.O. has registered its first election victory in a plant of the Thompson Products, Inc., whose president, F. C. Crawford, is the new president of the National Assn. of Manufacturers (BW-Dec. 5 '42, p16). The vote, supervised by the National Labor Relations Board, was among employees of the Toledo Steel Products Co., a Thompson subsidiary. Victor by 198 to 122 was the C.I.O. United Auto Workers; loser was the Independent Auto Workers Alliance. Other Thompson plants at Cleveland, Detroit, Los Angeles, and St. Catharine's, Ont., are under contract with independent unions.

## NWLB WAGE ORDERS

Authority of the Wage Adjustment Board of the Building Construction Industry to adjust wages of 1,500,000 workers on governmental war construction projects is broadened by General Order No. 13-A (revoking No. 13) of the National War Labor Board. Henceforth all unanimous decisions of the adjustment board shall be deemed final and effective immediately, eliminating the seven-day waiting period in which NWLB could intervene (BW-Nov. 21 '42, p120). NWLB retains, however, the right of ultimate review of any decision.

General Order No. 23 delegates authority to rule on all wage and salary adjustment cases in Alaska to Michael J. Haas, territorial representative, at Juneau, of the Wage and Hour and Public Contracts divisions of the Dept. of Labor.

General Order No. 24 extends to the U. S. Dept. of Agriculture (and No. 25 to the Tennessee Valley Authority) the power previously delegated (BW-Dec. 19 '42, p86) to five other government agencies to adjust the wages of certain employees.

In a joint statement, NWLB and the Commissioner of Internal Revenue gave heads of state, county, and municipal governments authority to make wage and salary adjustments within the framework of the stabilization program without filing the previously required certificates.

## JOB CLEARING HOUSE

The Brotherhood of Railroad Trainmen announced a manpower program of its own in the January issue of its publication, the Railroad Trainman, permitting day-to-day employment of idle yard men and service employees by any carrier needing such help. Undergoing a tryout in Chicago, the plan embodies a central registry of yard men and service men.

Wage and hour provisions are to be governed by agreements in effect on individual roads; seniority will accrue on an individual's home railroad but not on others that employ him temporarily. The railroads agree not to call on the central registry for help until all their own men are engaged.

## PAID VACATIONS, IF—

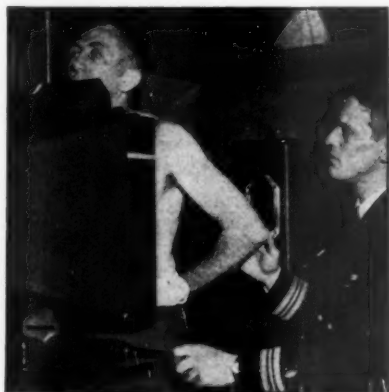
A unique arbitration award, approved by the National War Labor Board, ended the wage dispute that stifled

distribution of eight of New York City's principal newspapers for three days last month. The award granted the 3,000 members of the unaffiliated Newspaper and Mail Deliverers' Union a wage increase of \$5 a week (to \$49.20 maximum) but denied them paid vacations for the duration and six months thereafter.

The union may elect, after the war, to accept for its members vacations of a length determined by length of continuous service; but if it does, wages will be reduced \$1 a week. The union, "expressly condemned" by NWLB for staging the strike, failed to achieve one of its strike objectives—a guarantee of job tenure for the duration. The union previously had rejected the award, by a court-appointed arbitrator, of \$3 a week and one week's vacation.

## LABOR POSTSCRIPTS

National War Labor Board is studying a recommendation by its special representative, Paul R. Porter, that Boeing Aircraft Co., Seattle, increase wages of experienced factory employees 7¢ an hour and increase the hourly starting rate 24¢ (to 65¢), with increments of 5¢ every four weeks until the new employee reaches 85¢. . . . Brewster Aeronautical Corp. and the C.I.O. United Automobile Workers were directed by NWLB to put in force immediately a job revaluation in three plants, effective as of Apr. 12, 1942. Hiring rate goes up to 62¢ an hour, to 72¢ after two months, 77¢ after four months. . . . President's Committee on Fair Employment Practices says Vultee Aircraft, Inc., has taken steps to comply with directions intended to end discriminatory hiring and upgrading. Directions also have been issued against Alabama Shipbuilding & Drydock Co., A. J. Honeycutt Co., and Gulf Shipbuilding Corp.



## X-RAY IN TIME

At the rate of a man a minute, a mobile X-ray machine is rolling to the work benches of all Philadelphia Navy Yard civilian employees, checking

# FINANCE

## Motive: Suicide

**Maneuvers of U. G. I. and Niagara Hudson toward voluntary dissolution would bar execution of death sentence.**

Opponents of the so-called death sentence for public utility holding companies got two nasty shocks in the past few weeks. First, United Gas Improvement Co., one of the oldest and largest of the holding company systems, announced that it would try to make peace with the Securities and Exchange Commission by filing a plan for voluntary dissolution (BW—Dec.26'42,p8). A week later, Niagara Hudson Power Corp., largest of the electric giants, disclosed a three-step suicide plot.

● **Controlled by United**—Both Niagara Hudson and U. G. I. are identified with the Morgan interests, a fact that stirred speculation about the plans of other Morgan concerns. Both are controlled by United Corp., a top holding company long under SEC fire. First question was whether United and other affiliated companies were also ready to capitulate.

Most utilities men believe the surrender of U. G. I. and Niagara Hudson indicates no crumbling in the opposition to the death sentence. Stockholders may gain advantages from consolidation. They probably will find it cheaper to give in now instead of fighting the constitutionality of the death sentence.

● **Road to Immunity**—Niagara Hudson, almost entirely an intrastate system, is

under SEC jurisdiction because it is a statutory subsidiary of United. Proposed recapitalization on a one-stock basis would wash out most of United's 23.2% voting control. In this way Niagara could regain intrastate immunity from SEC regulation.

Niagara Hudson has followed a policy of corporate simplification for the past decade, and its latest proposals represent a revival of old plans rather than a reversal of policy. If SEC approves, the company will consolidate its principal operating properties into a single unit, the Niagara Falls Power Corp.; eliminate its intermediate holding company, the Buffalo, Niagara & Eastern; and turn over to a new company all other subsidiaries. After recapitalization stockholders of Niagara Hudson will get pro-rata shares of the two consolidated companies, and the parent will go out of existence.

● **Similar Pattern**—U. G. I.'s integration plans follow much the same pattern. As the first step, it will recapitalize its principal subsidiary, the Philadelphia Electric Co. Then it will pay off preferred stockholders, partly in cash, partly in a new dividend preference stock in Philadelphia Electric. Common shareholders will get the remaining stock interest in Philadelphia Electric, and a pro-rata distribution of U. G. I.'s 2,017,490 shares of Public Service of New Jersey common.

Details of the plans offer no surprises. What impresses utilities men is the fact that both companies elected to go out of existence even though SEC had not demanded their dissolution. In the case of Niagara Hudson, the commission has not handed down a ruling except to declare the company a subsidiary of United Corp. For U. G. I. the commission decreed divestment of scattered subsidiaries, but it planned to allow the company to remain at the top of its principal operating properties in the Philadelphia-Wilmington-Camden industrial area (BW—Feb.1'42,p14).

● **Behind the Decisions**—Tax considerations are the main reason why U. G. I. decided to go the commission one better and dissolve itself. For Niagara Hudson, a big incentive is the chance to get back on an intrastate basis. To some extent the company may have modified its opinion of SEC after the death of Floyd L. Carlisle, former chairman of the Niagara Hudson board and bitter opponent of regulation by the federal government.

On the legal front, U. G. I.'s sudden capitulation leaves in doubt the fate of its constitutionality attack pending in the federal Third Circuit Court of Appeals. The case challenges SEC's di-



them for tuberculosis lest future man-hours be lost through the disease. U. S. Public Health Service and the Philadelphia Tuberculosis & Health Assn., which gave the machine, are co-operating in this preventive program.

## Put your imagination on overtime!

Ideas to speed production—to effect economies of time and effort—to save materials—these will make the American secret weapon that will win the war.

Put your imagination to work — for your own satisfaction, for job advancement, for increased production in the war effort. Stimulate your, and your employees', creative potentiality by reading this new book.



### Just Out HOW TO "THINK UP"

All over the country factories have worked out employee suggestions systems because of our pressing need for increased production and the release of manpower. Some of the results of these suggestions systems are truly amazing.

By ALEX OSBORN

Executive Vice-President, Batten, Barton, Durstine & Osborn, Inc.

Price — 50 cents

Donald Nelson says, "Through suggestions systems this improved production art is being brought to the surface. The millions of little improvements that save an hour or a pound of brass make it devastating. In their aggregate these will amass our production victory."

In this book Alex Osborn tells how some of these ideas have been thought up and sketches a method for stimulating the thinking up of ideas. His booklet will spark the imagination of the individual, and prove a boon to the executive who is seeking to install or develop an employee suggestions system.

• It describes scores of valuable ideas that have come from factory workers and explains how they were thought up.

• It further outlines a method for anyone to follow in stimulating his ability to "think up."

• You will want to play the figure-of-speech game (see page 28) for the fun of it. It's a real imagination developer.

• You will want to try the once-a-week imagination exercise described on page 32.

• You will approve too the common-sense suggestions on pages 34 and 35.

John Collyer, President of B. F. Goodrich, says, "Nearly all of us have more imagination than we ever put to work. Too often we either do not try hard enough to think things up, or are too modest to hand in ideas which occur to us. For victory's sake, let us put our imaginations on overtime!"

Let this book help you. You will enjoy reading it—and every page of its sensible suggestions will guide you to personal profits. Send for a copy for 10 days' examination, subject to approval or return, today. Just mail this coupon.

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## THE MARKETS

With the stock market floundering around uncertainly, Wall Street concentrated a good deal of its attention on year-end statements of the nation's banks, which came out this week. Major trends in bank investments and deposits were about what everyone expected, but even bankers were surprised by the size of some of the changes.

• **Trends Reemphasized**—Comparison of year-end reports with Sept. 30 statements (BW—Oct. 10 '42, p90) shows that the fourth quarter brought a rapid acceleration of trends that became apparent earlier in the year. The impact of the government's war financing program raised deposits and total assets to record levels. Holdings of government securities made a spectacular increase. The earnings record was somewhat spotty, but most banks either held their own or made a small gain over last year's income.

Increase of deposits in the New York district shows that the strain on metropolitan money centers has eased up a little since the middle of the year. During the second quarter, many New York banks actually recorded a drop in deposits in spite of their heavy purchases of government bonds (BW—Jul. 11 '42, p78). At the time, government spending was drawing money out of New York faster than the banks could create new deposits.

• **Still the Largest**—Chase National keeps the title of the world's largest bank by a comfortable margin. Total assets on Dec. 31 came to \$4,569,496,000, an increase of more than \$750,000,000 over the \$3,811,803,000 recorded at the end of last year. Holdings of government securities increased to \$2,327,748,000 from \$1,364,847,000 on Dec. 31, 1941. Deposits climbed from \$3,354,967,000 to

\$4,291,467,000, and cash went down from \$1,248,516,000 to \$1,132,553,000.

National City's statement shows the same trends. Its portfolio of government securities expanded from \$1,137,543,000 to \$1,988,097,000. The accompanying increase in deposits raised the total from \$2,878,821,000 to \$3,555,940,000. Cash declined from \$985,161,000 to \$901,173,000.

Both Chase and National City showed small declines in commercial loans during the year. At Chase, loans and discounts dropped from \$802,221,000 to \$786,057,000; at National City, from \$618,810,000 to \$573,451,000.

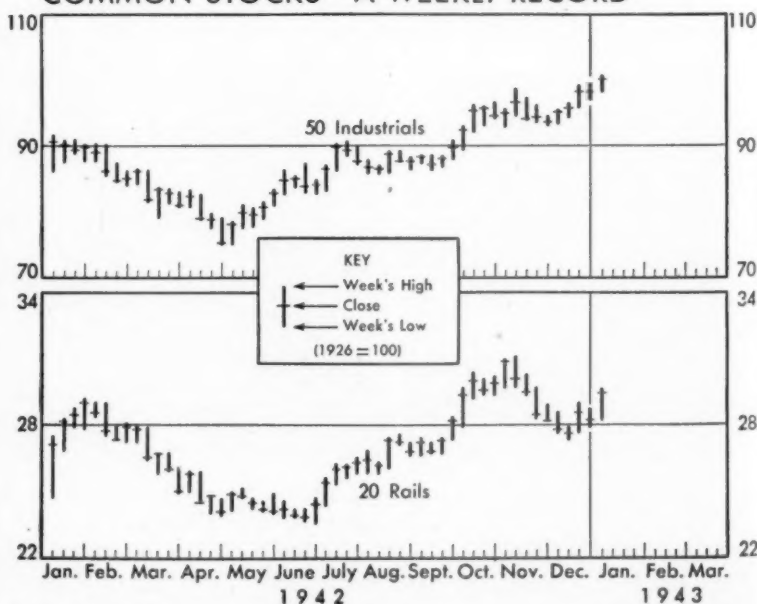
• **And Outside Gotham**—Outside New York the picture is much the same. Continental Illinois, Chicago, increased deposits by \$435,667,000 to a total of \$2,052,097,000. Holdings of government securities rose from \$724,258,000 to \$1,295,645,000. The Cleveland Trust Co. boosted deposits from \$491,310,000 to \$554,618,000 and government securities from \$174,092,000 to \$293,295,000. First National of Boston became a \$1,000,000,000 institution during the year.

### Security Price Averages

	This Week	Month	Year
	Week	Ago	Ago
<b>Stocks</b>			
Industrial ...	100.1	98.0	95.0
Railroad ....	29.5	28.2	27.8
Utility .....	36.6	35.1	34.0
<b>Bonds</b>			
Industrial ...	115.9	115.7	114.9
Railroad ....	87.7	86.8	85.4
Utility .....	110.1	109.6	108.8
U. S. Govt. ...	109.6	109.4	109.4

Data: Standard & Poor's Corp. except for government bonds which are from the Federal Reserve Bank of New York.

### COMMON STOCKS—A WEEKLY RECORD



Data, Standard & Poor's Corp

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## Bombs for Breakfast

As the man says: whatever goes up must come down. In the case of bombs, the all-important question is *where*.

By official count, a remarkably high percentage of the bombs released from Boeing Flying Fortresses\* come down where they'll raise the most hell with Axis hopes: at sea, on battleships, cruisers, transports, destroyers, aircraft carriers; on land, atop factories, arsenals, railroads, power-plants, munitions dumps, docks, canals and vital supply centers.

There are two things in particular that make the Boeing Flying Fortress a mailed glove on Freedom's aerial fist.

One is *quality*: the ability to fly a swift, straight course to the target in spite of enemy interceptors . . . and, by virtue of great flight-stability, provide a perfect (and heavily armored) "platform" from which to let loose several tons of death and/or destruction. Score one for Boeing engineers.

The other is *quantity*: the rate at which these bombers are built under the concentrated short-flow multiple-line production system which results in maximum output per man, machine and unit of plant space. Score one for Boeing production men.

There'll come a V-day when Boeing engineering and "productioneering" will turn from paths of war to paths of peace . . . from making the world unsafe for tyranny to making the new, free world a better, brighter one in which to live.

For in designing and building Flying Fortresses, Stratoliners,\* globe-girdling Clippers and other airplanes, Boeing continually acquires new "know-how" in many fields of engineering: electrical, structural, sound-proofing, heating, radio, etc. It's the kind of "know-how" that helps to win wars, and will some day help to make peacetime products better and cheaper.

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• **PUBLIC RELATIONS EXECUTIVE**, large war plant, coordinator radio, advertising, publicity; creator employee morale programs; chairman war production drive activities; desires better opportunity with postwar permanency. Age 35, married, college. PW 334.

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### sales representation available

• **AVAILABLE**—Chicago and surrounding states, sales representation eastern industrial equipment manufacturer. Nineteen years' successful operation in this area. Write full particulars on which to arrange personal interview. Box 337.

For rates, see December 19th issue *Business Week's "Clues"*. Copy for Jan. 23 "Clues" Jan. 18.

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vestment order and opens the way for a Supreme Court ruling on the legality of the holding companies act. If SEC accepts the plan for voluntary dissolution, U. G. I.'s position in court will raise some complicated legal points.

• **United Would Convert**—Also in doubt is the effect of U. G. I. dissolution on United Corp. SEC is already calling for complete elimination of United, but the company has countered with a plan for converting itself into an investment corporation by diversifying its interests and reducing its holdings in utilities to less than 10% of the voting stock in any one company.

United holds about 14% of the common of Public Service of New Jersey. Its slice of the 36.7% now held by U. G. I. would bring its interest in Public Service above 20%. Moreover, U. G. I.'s dissolution plan would give United roughly 25% of the new Philadelphia Electric common. Since a 10% interest is enough to bring a corporation under SEC jurisdiction, United would have to do a good deal of unloading to qualify as an investment company.

In addition to these holdings, United Corp. is, in the eyes of the SEC, a "grandfather" of Columbia Gas & Electric, owning 19.6% of its common. It has a 5% interest in Commonwealth & Southern as well.

## C. & S. Debt Plan

Western railroad leads way toward adjustment of its obligations via McLaughlin Act regulations.

Most railroad men think of the Delaware & Hudson (BW-Jan. 2'43, p. 70) when they discuss the McLaughlin Act authorizing solvent carriers to work out voluntary adjustments of their debt structures. But chances are the first major road to finish debt rearrangement under the new law will be Colorado & Southern, rather than D. & H.

• **One More Hurdle**—C. & S. already has secured court approval of a plan that would scale down its fixed charges and put half of them on a contingent basis. All it needs now is the assent of 75% of its creditors. Unless it runs into trouble unexpectedly, it will beat D. & H. to the finish line and that by several months.

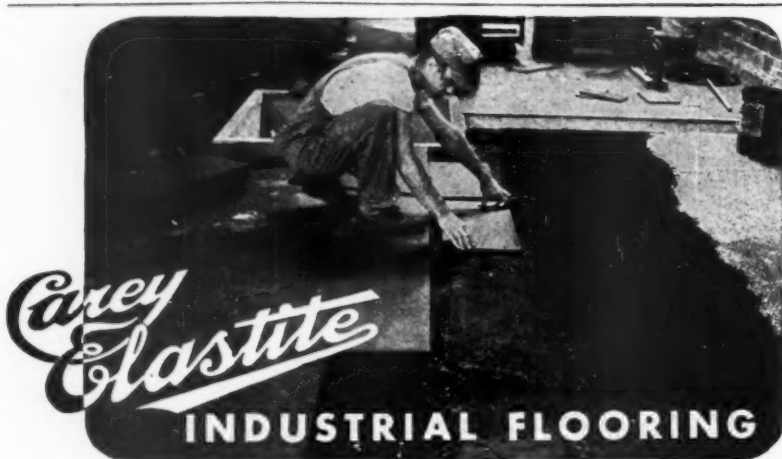
Distribution of its debt simplifies C. & S.'s problem. One creditor—the Reconstruction Finance Corp.—owns about two-thirds of its obligations. And RFC is ready to accept any plan that will put the road back on its feet. C. & S. has had a voluntary adjustment plan in the works for months, and it cleared its latest proposals with the Interstate Commerce Commission on Aug. 31, a good six weeks before the McLaughlin Act went on the books.

• **Debts Are High**—A subsidiary of the Chicago, Burlington & Quincy, C. & S. operates about 1,685 miles of road, most of it in Texas. Present funded debt totals some \$53,000,000, of which roughly \$17,000,000 is in public hands. RFC holds the balance.

With annual fixed charges running over \$2,000,000, C. & S. was playing a losing game until the war boom swelled revenues. Even now its position isn't too comfortable. From 1932 to 1940 it failed to earn fixed charges in any year but 1937. In 1941—a boom year for most roads—it had a scant \$64,000 left after interest.

• **Paring the Charges**—The debt readjustment plan would cut fixed charges from \$2,000,000 to about \$935,000 a year. In addition, it would provide for \$838,000 in contingent interest. Two big maturities due in 1945 and 1946 would be extended to 1955.

Specifically, the plan calls for reducing the interest on the \$27,000,000 worth of 4½% refunding and extension bonds held by RFC and on the \$17,000,000 in 4½% general mortgage bonds owned by the public. RFC would get 2½% fixed interest and 1½% contingent. (Since it is already accepting 4% instead of 4½%, this arrangement will mean no reduction of income as long



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While relatively hard, **ELASTITE** Asphalt Industrial Flooring is resilient, comfortable under foot, practically noiseless, and fire resistant. Due to its smooth-

ness and resiliency, heavy loads are easily moved with less manpower. Non-skid, it lessens accidents and breakage of trucks and tools.

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as the road earns contingent charges.) Owners of the general mortgage bonds would receive 1½% fixed interest and 2½% contingent.

• **Dividends Are Out**—In addition, the road would bind itself to put \$300,000 a year into a capital fund. Stockholders would retain voting rights and present equity, but as long as the road was in debt to RFC no income would be available for dividends. Anything left after interest charges would have to be used for debt reduction.

Scaling down fixed charges and postponing maturities would put the C.&S. on safe ground for the time being at least. Even in its worst year of the past decade, 1940, it had \$1,155,000 available for fixed charges, which leaves a small margin over the proposed fixed interest. The RFC, of course, stands to lose most by the new arrangement. But then it has supported C.&S. for so long that a little extra risk will be no novelty.

## COMMODITIES

### Caught in Butter

Traders failed to heed storm signals visible to any housewife and paid the penalty in December futures.

It's rare, in these days of lethargic if not comatose commodity markets, that anybody gets very far out on a limb. Consequently there was a somewhat excited buzz around the exchanges at the end of the old year when it turned out that quite a few people had been caught short in December contracts for delivery of butter and eggs on the Chicago Mercantile Exchange.

• **Simple Household Lesson**—The average housewife probably can understand what happened more easily than anyone else. She has been buying butter in skimpy ¼ lb. and ½ lb. chunks—when lucky—for quite a while now and could have cautioned the butter and egg traders who sold December futures that they were sticking their necks out.

Be that as it may, here's how the unwary sellers wound up. On the last day of trading in the expiring December future, open contracts called for delivery of 211,200 lb. of butter and 756,000 doz. eggs. A few traders managed to cover their contracts before 9 o'clock the next morning, final deadline for making good.

• **Caught Short**—But when the smoke cleared, there remained in default contracts calling for 172,800 lb. of butter and for 732,000 doz. eggs.

Reason for the squeeze is obvious



*Triumph*  
over wind  
and tide

Supremacy over the sea came to the swift galleys of ancient times when straining captive manpower made them independent of the vagaries of wind and tide. This power was controlled by the slave master: his lash dictated the maneuvers upon which the vessel's safety frequently depended.

Men who live and work on water have long since replaced manpower with engines, and propellers have replaced oars. The clutch, lever of modern marine gears provides surer and more positive control over power than the slave master's lash ever did.

In construction equipment as well as boats, in rail cars, in logging and oil drilling machinery, in farm tractors, in machine tools—wherever power is intermittently applied to loads—Twin Disc Clutches provide positive and dependable control.

From the beginning, the Twin Disc Clutch Company's policy of combining constant research with the finest engineering skill and craftsmanship has resulted in new performance standards for clutches. For 25 years now, the company's efforts have been devoted solely to the development and manufacture of industrial clutches. Today you have available a wealth of skill and knowledge which you can profitably apply to the solution of your clutch problems, no matter what type of equipment you build or buy.

Now is the time to make sure that the clutches you use in the near or distant future will do the best possible job because they are built to do that job. Consult Twin Disc engineers now—while your ideas are still forming. TWIN DISC CLUTCH COMPANY, 1402 Racine Street, Racine, Wisconsin.

*Twin Disc Marine Reverse and Reduction Gears provide boat operators with a wider margin of safety, positive control and increased maneuverability. Unexcelled reliability results from construction features which assure long wear life.*



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Tractor Clutch



Hydraulic Power Take-off





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enough: Uncle Sam's buying for the armed forces and for lend-lease has traders in a corner. Any explanation, however, is no remedy for the trader up against the old saw about "he who sells what isn't his'n."

● **OPA Raised Ceiling**—The Mercantile Exchange ruled that the shorts in butter would have to pay the new ceiling price (it had been marked up by OPA from 44.6¢ a lb. to 45½¢ just before the defaults took place, costing the traders almost 1¢ a lb.) plus the minimum exchange penalty of ¼¢ a lb.

On eggs, the price was put at 38½¢ a doz. plus a penalty of ½¢ a doz. Shorts, of course, were obliged to pay the difference between the price at which they sold and the exchange's settlement price, plus the penalties.

● **Easing the Shortage**—The government, meanwhile, is trying to ease the butter shortage somewhat. Stiff restrictions on making of ice cream (the earlier limit of 60% on use of milk solids now has been stiffened to 50% of the October, 1942, base) are a step in this direction.

Then, too, about 2,000,000 lb. of the storage butter previously impounded to safeguard military needs (BW—Dec. 26'42,p19) has been released. However, these steps were neutralized at midweek by the earmarking of 30% of all new creamery butter for the services. Biggest single factor, however, is likely to be the boost in amount of fats allocated to production of margarine (page 44). This butter stretcher, heretofore held to 110% of its fat-and-oil consumption in 1940 and 1941, now can zip the rate up to 180%.

● **Margarine Prospects**—That conceivably could mean total margarine production in 1943 of 600,000,000 lb., topping by far 1942's all-time high of 400,000,000 lb. Butter production for the first quarter, however, is expected to dip somewhat from last year's 377,000,000 lb. for that period.

## OPA GAGS DOUBLE TALK

Radio's familiar chant of the tobacco auctioneer is fading to less than a whisper on burley markets because of OPA ceilings. Instead of matching wits with competitors, to the accompaniment of sing-song double talk, buyers now close their deals by offering ceiling prices immediately.

To burley growers the change was more than welcome, resulting in a silver lining for purses as prices rose more than a third. Even before markets closed for the holidays, the 21 Kentucky centers had sold 123,519,050 lb. at an average of \$42.33 a cwt. To that date a year ago the average had been less than \$30.

Due to the short 1942 crop and the absence of price competition, the remainder of the burley crop will be allocated among manufacturers.

# THE TRADING POST

## "Big Coal vs. Little Coal"

The following, lifted from No. 50 of the series of "Trundle Talks" issued by the Trundle Engineering Co., expresses an attitude that seems to be more and more prevalent among thoughtful business men. It deserves consideration since it indicates an approach that must be taken into account in any attempt to size up postwar readjustment problems.

When pieces of coal are too big, they won't burn in a fireplace.

When pieces of coal are too little—slack, for instance—they won't burn in a fireplace.

Now, as everyone knows, coal neither too big nor too little makes a beautiful fire.

But for some strange reason, in the economic and social history of our country, nobody seems to have cared a darn about that.

We have been a nation of big coal men, and little coal men. Men have bled and died for big coal or little coal.

Isn't it time somebody tried to figure out just what is the right size of coal to burn in a fireplace?

\* \* \*

We're fighting a war today. Right now it seems to be going a bit better than we expected.

But before the records of the first successful invasion of enemy territory have even begun to grow cold, the big coal men and the little coal men have begun once more to raise their heads, preparing to perpetuate their ancient battle, the minute the war is over.

\* \* \*

Must we maintain this contest forever? Can't we see how fatal this will be, if victory brings with it merely a resumption of internal bickerings, at the very moment when national unity is so vitally important to assure that our views in the peace settlement will be given proper weight?

Can't we stick together through the whole campaign, through the war, through the peace settlement and into the postwar period, as a nation united in sentiment and in objectives—as an example before the world of a free people who can agree among themselves as to what they want?

It is no longer a question as to whether we shall have social security, or shall not have social security. The question is—what social security measures are practicable and will work?

It is no longer a question as to whether we shall have regulatory measures dealing with financing and securities, or whether we shall have no such measures. The question is—what measures are practicable and will work?

It is no longer a question as to whether we shall have unions to represent employees in collective bargaining, or whether we shall not have unions. The question is, what basis of operation can be worked out, which will safeguard the survival and the functions of both employers and unions?

It is no longer a question as to whether or not the benefits of medicine should be available to everyone. The question is, how far can medicine be socialized without destroy-

ing the initiative and the career of the private practitioner?

It is no longer a question of deciding whether negroes should or should not be given a fuller place in the economic life of the country. The question is, how can this best be done?

\* \* \*

And above all else, looking forward toward the postwar period, there is the basic question—

What about free enterprise versus governmental planning and control?

Are we, at the very moment of victory, going to degenerate into a nation in which we are fighting each other over this issue?

Will we win the world war, only to be plunged into a civil war of government economic planners versus proponents of free enterprise?

Can't we see that the history of the last twenty years has shown that the whole future of our democratic form of government depends upon arriving at some sort of a workable compromise between free enterprise and government planning and control?

\* \* \*

Listen, you big coal men, and you little coal men. Right now is the time to get together.

Right now, when victory in this war seems somewhere around the corner.

Right now—so that at the peace table all the people of this country can stand united.

Big coal or little coal?

For the sake of our children, and our grandchildren, can't we, for once in the history of this country, get together and ask the real burning question—

What size of coal burns best?

## Books Wanted

"Any book you really want to keep is a good one to give" is the slogan of the 1943 Victory Book Campaign, sponsored jointly by the American Library Assn., the American Red Cross, and the United Service Organizations. A poll made by last year's campaign reveals that the Army is avid for reading material. But it wants books that are in good condition and that would be enjoyed by normal, healthy Americans, not ancient and dilapidated drivel dug out of the attic for junk.

Books found to be most in demand among the fighting men are current best-sellers and the more recent (1930 to date) popular fiction and nonfiction; adventure stories and westerns, detective and mystery yarns; technical books published since 1935; humorous books.

Beginning January 5, 1943, books will be collected at local libraries and other receiving centers which will be set up in every community. Distribution will be made directly to camps, naval bases, ship and mobile libraries, field bases at home and abroad, USO centers, outside camps, and merchant marine libraries.

W.C.

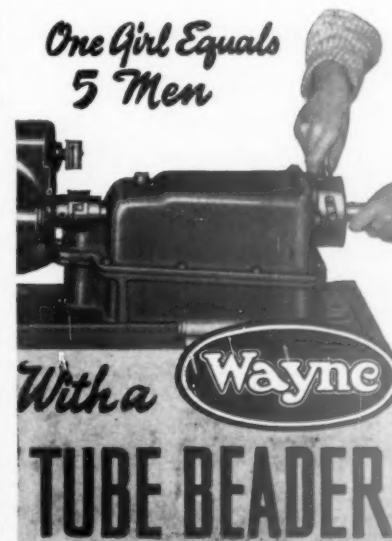
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THE WAYNE PUMP CO., FT. WAYNE, IND.



# THE TREND

## PREVIEW OF A POSTWAR MARKET

Since Yankee troops opened their own front in Africa and Russia broke the siege of Stalingrad with what has turned out to be a decisive rout of the Nazis, Latin America has been driven almost completely out of the headlines of our daily press. At the same time, ships are scarcer each day for any but "war" runs, and tightening priorities make it next to impossible to supply even the oldest and best customers in Latin America.

As a result, the average executive has been lulled into a dangerous apathy about hemisphere trade at just the moment when he needs to be on his toes if he wants his full share in what is bound to be a large and profitable postwar business.

• **Business Week**, in its series of reports from South America which ends in this issue (page 19), has pointed out fundamental changes which are taking place south of the Rio Grande.

Old neighbors with a long record of political instability are suddenly "growing up," both politically and economically.

Air transportation—rushed feverishly with our full support to counter the Axis threat and to speed up our international air ferry delivery service—has suddenly made Latin America, literally, a near neighbor. We can now have breakfast in Miami, dinner in Bogotá; or Friday in Washington and Monday in Rio de Janeiro. And with a growing chain of jungle airports—equipped with modern stopover stations, fresh running water, and good food—a vast new frontier ready to supply us with our tropical needs awaits only our cooperation to exploit it.

Most promising, from the business point of view, are the mounting dollar balances which grow out of our huge purchases of strategic war materials that—for the present at least—cannot be matched with deliveries of automobiles, refrigerators, radios, locomotives, and machinery. Today our dollars are piling up in almost every Latin American country, waiting until we—or someone else—can supply the things that the people to the south of us want and need.

• **What too many executives** do not realize is that now is the time to begin lining up this postwar business in Latin America. Aggressive leaders in the larger countries—especially Mexico, Brazil, Argentina, and Peru—are already drawing up plans for postwar expansion and detailing their needs down to the last machine.

Britain, schooled in many wars to protect the foreign trade that is so important a part of the British economy, is already vigorously promoting its interests.

A few months ago when a British convoy arrived at Rio to pick up supplies, it carried 20,000 tons of coal, a commodity desperately needed by Brazil to keep its industries operating and its trains running. A shrewd press attaché

from the British Embassy saw to it that the ambassador was on hand to highlight the arrival, and the next day Rio newspapers carried headlines telling the news. What was not mentioned, even by friendly Brazilian editors, was that the United States, despite the Axis submarine campaign, is regularly delivering 70,000 tons of coal a month to Brazil. There was nothing underhanded in Britain's publicity stunt. Old timers in the business were merely making a shrewd play in face of the fact that we are not yet fully alert to the foreign value of the kind of public relations stunts for which we are famous within our own borders.

London also has showed the importance which it attaches to foreign trade by seeing that experienced young Britishers, resident in South American countries and familiar with the language and business methods of those countries, are given the same military deferment that is assigned to workers in war industries at home.

• **A more complete census** of Latin American industry, raw materials, labor supply and aptitude, and transportation is being developed today than any that existed before the war. In part, it is the work of special United States technical missions sent south to help solve the problems of wartime shortages. But it is also the result of the new job being done by our special economic analysts now stationed in every one of the Latin American countries to appraise their requests for equipment. To determine whether or not this equipment is "absolutely necessary" to the economy and should be allowed an export license, these men must be supplied locally with all kinds of basic economic information. That compilation of information is already assuming formidable proportions and is the ideal background against which United States industry can measure the potential markets for its particular products.

A few industrialists are aware of the opportunities now opening in Latin America. Joseph C. Rovensky, assistant to Nelson Rockefeller in the very alert Office of the Coordinator of Inter-American Affairs, pointed out last week that total budgets of United States advertisers in Latin America in 1943 will be slightly larger than in 1942, and that 25% of this year's advertisers plan to increase their appropriations.

• **But executives as a whole** need to be tipped off that Latin America is already drawing up its order lists for goods to be delivered after the war, that needs and tastes have changed dramatically since our salesmen made their last prewar rounds, and that there is cash in hand in practically every country to cover the first rush of buying. It is not too early to go after postwar business south of the Rio Grande.

*The Editors of Business Week*



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